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EXECUTIVE PARTIAL VETO OF ASSEMBLY BILL 40

Executive Budget Bill Passed by the 2013 Wisconsin Legislature

(2013 Wisconsin Act 20)

I. INTRODUCTION

This brief contains the veto message of Governor Scott Walker for the partial veto of 2013 Assembly Bill 40 (2013 Wisconsin Act 20), the "Executive Budget Bill" passed by the 2013 Wisconsin Legislature. A subsequent edition of *Wisconsin Briefs* will cover the messages for other gubernatorial vetoes or partial vetoes relating to 2013 legislation.

Veto Brief Format

This brief provides the following information:

1. Background material on the veto process, including legislative review of vetoes, use of the partial veto, and judicial interpretation of the governor's veto power.

2. The legislative action for 2013 Assembly Bill 40, including the vote for final passage in each house and the page number of the loose−leaf journals in each house referring to the vote. ("S.J." stands for Senate Journal; "A.J." stands for Assembly Journal.)

3. The text of the governor's veto message.

4. The text of each segment of the governor's veto message keyed to the corresponding partially vetoed sections of 2013 Wisconsin Act 20. The vetoed material is indicated by gray shading, and each write−down—a reduced appropriation amount written in by the governor—is indicated by reverse shading of white numerals on a black background.

5. The table of contents (page 63).

II. THE VETO PROCESS

History

Wisconsin governors have had the constitutional power to veto bills in their entirety since the ratification of the Wisconsin Constitution in 1848. In November 1930, the people of Wisconsin approved a constitutional amendment granting the governor the additional power to veto appropriation bills in part. This new partial veto authority was used immediately beginning with the 1931 session (see following table).

Prepared by Wendy Jackson and Kathy Follett, senior legislative editors

PARTIAL VETOES OF EXECUTIVE BUDGET BILLS

1931–2013[1]

Session	Bill	Law	Number of Vetoes[2]	Senate/Assembly Journal Page[3]
1931	AB–107	Ch. 67	12	A.J. p. 1134
1933	SB–64	Ch. 140	12	S.J. p. 1195
1935	AB–17	Ch. 535	0	–––
1937	AB–74	Ch. 181	0	–––
1939	AB–194	Ch. 142	1	A.J. p. 1462
1941	AB–35	Ch. 49	1	A.J. p. 770
1943	AB–61	Ch. 132	0	–––
1945	AB–1	Ch. 293	1	A.J. p. 1383
1947	AB–198	Ch. 332	4[4]	A.J. p. 1653
1949	AB–24	Ch. 360	0	–––
1951	AB–174	Ch. 319	0	–––
1953	AB–139	Ch. 251	2	A.J. p. 1419
1955	AB–73	Ch. 204	0	–––
1957	AB–77	Ch. 259	2	A.J. p. 2088
1959	AB–106	Ch. 135	0	–––
1961	AB–111	Ch. 191	2	A.J. p. 1461
1963	SB–615	Ch. 224	0	–––
1965	AB–903	Ch. 163	1	A.J. p. 1902
1967	AB–99	Ch. 43	0	–––
1969	SB–95	Ch. 154	27	A.J. p. 2615
1971	SB–805	Ch. 125	12[5]	S.J. p. 2162
	AB–1610[6]	Ch. 215	8	A.J. p. 4529
1973	AB–300	Ch. 90	38	A.J. p. 2409
	AB–1[7]	Ch. 333	19	A.J. p. 310
1975	AB–222	Ch. 39	42	A.J. p. 1521
	SB–755[6]	Ch. 224	31	S.J. p. 2257
1977	SB–77	Ch. 29	67	S.J. p. 853
	AB–1220[6]	Ch. 418	44	A.J. p. 4345
1979	SB–79	Ch. 34	45	S.J. p. 617
	AB–1180[6]	Ch. 221	58	A.J. p. 3420
1981	AB–66	Ch. 20	121	A.J. p. 895
1983	SB–83	Act 27	70	S.J. p. 276
1985	AB–85	Act 29	78	A.J. p. 293
1987	SB–100	Act 27	290	S.J. p. 277
	AB–850[8]	Act 399	118	A.J. p. 1052
1989	SB–31	Act 31	208	S.J. p. 325
	SB–542[9]	Act 336	73	S.J. p. 957
1991	AB–91	Act 39	457	A.J. p. 404
	SB–483[10]	Act 269	161	S.J. p. 896
1993	SB–44	Act 16	78	S.J. p. 362
	AB–1126[8]	Act 437	11	A.J. p. 960
1995	AB–150	Act 27	112	A.J. p. 383
	AB–557[11]	Act 113	11	A.J. p. 689
	SB–565[12]	Act 216	3	S.J. p. 770
1997	AB–100	Act 27	152	A.J. p. 322
	AB–768[13]	Act 237	20	A.J. p. 927
1999	AB-133	Act 9	255	A.J. p. 405
2001	SB-55	Act 16	315	S.J. p. 282
	AB–1[14]	Act 109	72	A.J. p. 894
2003	SB–1[15]	Act 1	0	S.J. p. 111
	SB–44	Act 33	131	S.J. p. 277
2005	AB–100	Act 25	139	A.J. p. 373
2007	SB–40	Act 20	33	S.J. p. 373
	AB–1[16]	Act 226	8	A.J. p. 792
2009	AB–75	Act 28	81	A.J. p. 297
2011	AB–40	Act 32	50	A.J. p. 413
2013	AB–40	Act 20	57	A.J. p. 413

[1]A constitutional amendment giving the governor authority to veto appropriation bills in part was ratified by the electorate in November 1930.

[2]As listed in the respective governor's veto message.

[3]Beginning journal page reference. A.J.—Assembly Journal; S.J.—Senate Journal.

[4]All 4 partial vetoes involved the Conservation Fund.

[5]Numerous "technical changes" made by the governor are counted as one partial veto.

[6]Budget Review Bills.

[7]Budget Review Bill considered in April 1974 Special Session.

[8]1988 Annual Budget Bill.

[9]1990 Agency Adjustment Bill.

[10]1992 Budget Adjustment Bill.

[11]1995–97 Transportation Budget Bill.

[12]1996 Budget Adjustment Bill.

[13]1998 Budget Adjustment Bill.

[14]2002 Budget Adjustment Bill, January 2002 Special Session.

[15]2003 Budget Adjustment Bill, January 2003 Special Session.

[16]2007 Budget Adjustment Bill, March 2008 Special Session.

Source: Senate and Assembly Journals.

Article V, section 10, of the Wisconsin Constitution grants the veto power to the governor. As printed in the 2011–12 edition of the *Wisconsin Statutes*, the section reads:

> WISCONSIN CONSTITUTION [Article V] **Governor to approve or veto bills; proceedings on veto. Section 10.** (1) (a) Every bill which shall have passed the legislature shall, before it becomes a law, be presented to the governor.
>
> (b) If the governor approves and signs the bill, the bill shall become law. Appropriation bills may be approved in whole or in part by the governor, and the part approved shall become law.

(c) In approving an appropriation bill in part, the governor may not create a new word by rejecting individual letters in the words of the enrolled bill, and may not create a new sentence by combining parts of 2 or more sentences of the enrolled bill.

(2) (a) If the governor rejects the bill, the governor shall return the bill, together with the objections in writing, to the house in which the bill originated. The house of origin shall enter the objections at large upon the journal and proceed to reconsider the bill. If, after such reconsideration, two−thirds of the members present agree to pass the bill notwithstanding the objections of the governor, it shall be sent, together with the objections, to the other house, by which it shall likewise be reconsidered, and if approved by two−thirds of the members present it shall become law.

(b) The rejected part of an appropriation bill, together with the governor's objections in writing, shall be returned to the house in which the bill originated. The house of origin shall enter the objections at large upon the journal and proceed to reconsider the rejected part of the appropriation bill. If, after such reconsideration, two−thirds of the members present agree to approve the rejected part notwithstanding the objections of the governor, it shall be sent, together with the objections, to the other house, by which it shall likewise be reconsidered, and if approved by two−thirds of the members present the rejected part shall become law.

(c) In all such cases the votes of both houses shall be determined by ayes and noes, and the names of the members voting for or against passage of the bill or the rejected part of the bill notwithstanding the objections of the governor shall be entered on the journal of each house respectively.

(3) Any bill not returned by the governor within 6 days (Sundays excepted) after it shall have been presented to the governor shall be law unless the legislature, by final adjournment, prevents the bill's return, in which case it shall not be law.

Wisconsin Supreme Court Cases

The constitutional provision granting the governor the authority to veto bills in part has come under the scrutiny of the Wisconsin Supreme Court in 8 cases: *State ex rel. Wisconsin Telephone Co. v. Henry*, 218 Wis. 302 (1935); *State ex rel. Finnegan v. Dammann*, 220 Wis. 143 (1936); *State ex rel. Martin v. Zimmerman*, 233 Wis. 442 (1940); *State ex rel. Sundby v. Adamany*, 71 Wis. 2d 118 (1976); *State ex rel. Kleczka v. Conta*, 82 Wis. 2d 679 (1978); *State ex rel. Wisconsin Senate v. Thompson*, 144 Wis. 2d 429 (1988); *Citizens Utility Board v. Klauser*, 194 Wis. 2d 484 (1995); and *Risser v. Klauser*, 207 Wis. 2d 558 (1997). With two exceptions, the opinions have broadened the power of the governor to veto parts of appropriation bills.

In the *Henry* case, the court held that the authority granted to the governor in the Wisconsin Constitution to veto a "part" is broader than the authority of other governors to veto an "item"; that the governor could disapprove nonappropriation parts of an appropriation bill; that the parts approved after the veto must constitute a complete, entire, and workable law; and that the governor's power to disapprove separable pieces of an appropriation bill is as broad as the legislature's power to join the pieces into a single bill.

The *Finnegan* case held that, in order for the governor to exercise the partial veto, the body of the bill itself must contain an appropriation of public money not merely have an indirect bearing upon an appropriation; and that an increase in revenues that has the effect of increasing expenditures under an existing appropriation does not create an appropriation.

The *Martin* case stated that the purpose of the partial veto was to prevent, if possible, the adoption of omnibus appropriation bills "with riders of objectionable legislation attached" which would "force the governor to veto the entire bill and thus stop the wheels of government or approve the obnoxious act." The court held in *Martin* that 1) the governor may effect policy changes through the partial veto and 2) the veto is sustainable if the approved parts, taken as a whole, still provide a complete, workable law.

In the *Sundby* case, the court recognized that the governor may effect an affirmative change as well as negate legislative action through the veto, and it reiterated that the veto may be applied to nonappropriation language.

In the *Kleczka* case, the court rejected any implication in the earlier cases that a legislative proviso or condition on an appropriation was inseverable from the appropriation and thus could be vetoed only if the appropriation itself was vetoed.

In the *Thompson* case, decided prior to the 1990 constitutional amendment (which prohibited the governor from using his partial veto authority to create new words by rejecting individual letters), the court reiterated that the governor's

authority to veto appropriation bills in part is very broad, that the governor may exercise the partial veto authority on conditions or provisos attached to appropriations, that a partial veto may be affirmative as well as negative in effect, and that the material remaining after the veto must be a complete and workable law. The court let stand vetoes that created new words and sentences by striking words, letters and punctuation. It held that the governor may reduce dollar amounts by striking individual digits and that any text remaining after the governor's use of the partial veto must be "germane to the topic or subject matter of the vetoed provisions" contained in the enrolled bill.

In *Citizens Utility Board*, the court held that the governor may exercise the partial veto power by striking a numerical sum in an appropriation and writing in a different smaller number as the appropriated sum.

The *Risser* court held that the governor's write–down may be exercised only on a monetary figure which is an appropriation amount.

Federal Cases

The federal courts have also addressed the Wisconsin veto process. Following *State ex rel. Wisconsin Senate v. Thompson*, 144 Wis. 2d 429 (1988), the governor's veto power was upheld by both the United States District Court for the Western District of Wisconsin (No. 90 C 215) and the United States District Court of Appeals for the Seventh Circuit in *Fred A. Risser and David M. Travis v. Tommy G. Thompson*, 930 F.2d 549 (7th Cir. 1991). The U.S. Court of Appeals concluded that "Wisconsin's partial veto provision as interpreted by the state's highest court is a rational measure for altering the balance of power between the branches. That it is unusual, even quirky, does not make it unconstitutional. It violates no federal constitutional provision because the federal Constitution does not fix the balance of power between branches of state government." In October 1991, the U.S. Supreme Court refused to review the decision of the U.S. Court of Appeals. *Risser v. Thompson*, 502 U.S. 860 (1991).

Constitutional Amendment Ratified in 2008

In 2008, the voters ratified an amendment to article V, section 10, of the Wisconsin Constitution, the first modification to the governor's partial veto authority since 1990. The amendment prohibits the governor from creating a new sentence by combining parts of two or more sentences in an appropriation bill.

Legislative Action and Publication of Law Supplements

Since 1973 each act vetoed in part has originally been published to show the parts approved by the governor as clear text and the parts objected to by the governor as overlaid text and beginning in 1995 as shaded text (this is shaded text). If the legislature overrides a partial veto, only the new law text resulting from the veto override is published. The new text is identified as a supplement to the act originally published. An explanation is published with each supplement, and it would read as follows for a 2013 act:

> 2013 *BILL* was approved by the governor in part and has become 2013 WISCONSIN ACT *NUMBER*. The parts objected to by the governor (partial veto) were reviewed by the senate on *DATE* and by the assembly on *DATE*. This supplement to 2013 WISCONSIN ACT *NUMBER* contains those parts of that act which had been vetoed by the governor but which have become law as the result of their approval, by two–thirds of the members of each house, notwithstanding the objections of the governor.
>
> The supplement identifies the changes in 2013 WISCONSIN ACT *NUMBER* as follows:
>
> (1) LAW IN EXISTENCE ON *DATE*. All text of statute law or session law which was in effect on the day preceding legislative action on the vetoes contained in 2013 *BILL*, and which is shown in this supplement as part of a SECTION of 2013 WISCONSIN ACT *NUMBER*, in which a veto override occurred, is shown as plain text (this is plain text).
>
> (2) PREEXISTING LAW DELETED BY VETO OVERRIDE. In some instances, the legislature, in passing 2013 *BILL*, had proposed to delete certain words contained in existing law. These deletions could not take effect with the publication of 2013 WISCONSIN ACT *NUMBER*, as the result of a veto by the governor, but they take effect now because the veto was overridden by legislative action. Such text is shown as shaded text.
>
> (3) NEW TEXT CREATED BY VETO OVERRIDE. All text that comes into being for the first time as the result of the veto override is shown in italic type (*this is italic type*).

III. LEGISLATIVE ACTION ON THE PASSAGE OF 2013 ASSEMBLY BILL 40

2013 Wisconsin Act 20 (Assembly Bill 40): Joint Finance Substitute Amendment

On June 18, 2013, the assembly adopted Assembly Substitute Amendment 1 (as amended by Assembly Amendment 3 [as amended by Assembly Amendment 1]) to Assembly Bill 40 by a vote of 57 to 40, A.J. 06/18/13, p. 242, and passed Assembly Bill 40, as amended, by a vote of 55 to 42, A.J. 06/18/13, p. 243.

On June 21, 2013, the senate concurred in Assembly Bill 40, as amended, by a vote of 17 to 16, S.J. 06/21/13, p. 297.

On June 30, 2013, the governor approved in part and vetoed in part Assembly Bill 40, and the part approved became 2013 Wisconsin Act 20, A.J. 07/01/13, p. 253. The date of enactment is June 30, 2013, and the date of publication is July 1, 2013, and, as provided in section 991.11, Wisconsin Statutes, the effective date of all provisions of the act is July 2, 2013, except those provisions for which the act expressly provides a different date.

IV. TEXT OF THE GOVERNOR'S VETO MESSAGE

TEXT OF GOVERNOR'S VETO MESSAGE

July 21, 2013

To the Honorable Members of the Assembly:

I have approved **Assembly Bill 40** as 2013 Wisconsin Act 20 and deposited it in the Office of the Secretary of State.

Two years ago, Wisconsin faced a $3.6 billion deficit after years of using one−time revenues for ongoing spending. Wisconsin corrosively spent more than it took in. The State's rainy day fund was depleted and the State could not pay all the bills. Over 134,000 Wisconsinites lost jobs during the previous four years and the unemployment rate stood at 7.8 percent. Property taxes had gone up 27 percent over the previous decade.

Together, we made some tough, but prudent, decisions to put our state back on track and lay the foundation for future growth. Now, we expect to begin the new fiscal year with a $670 million surplus, the largest opening balance in over a decade; we will have over $243 million in the rainy day fund, the highest rainy day fund balance ever. Most importantly, the unemployment rate dropped to 7 percent and continues to be below the national average. Wisconsin workers are finding jobs and helping to grow our economy. In the last budget, we held the line on property taxes and this budget will continue to do so.

2013 Wisconsin Act 20 continues to invest in our priorities to create prosperity for all of Wisconsin's citizens. On February 20, 2013, I introduced a budget focused on growing our economy, developing our workforce, transforming education, reforming government and investing in our infrastructure. It included a substantial middle class income tax cut, several education reforms, a robust building and infrastructure program, and entitlement reform for the federally−shared Medicaid and FoodShare programs.

The rationale for these initiatives was clear: in a globalized economy, Wisconsin needs low taxes, a strong educational system and an efficient government to compete and be prosperous. In this way, initiative and independence are rewarded. Opportunities are maximized, jobs are created, and businesses grow.

I also urged the Legislature to improve upon the introduced budget. After four months of deliberation, the Legislature returned a document that will improve our economy and continue our sound fiscal management. The Legislature put our

state's surplus to work for the people of Wisconsin by increasing the middle–class tax cut, increasing funding for public schools while keeping property taxes in check, and freezing tuition for the University of Wisconsin (UW) System. I heartily endorse these accomplishments. The budget I sign today, with minimal vetoes, reinforces this direction.

I am proud to say this budget provides nearly $1 billion in tax relief for Wisconsinites as we seek to grow our economy. The lion's share of this tax cut is through a reduction in income tax rates aimed at middle class taxpayers and is the first reduction since the 1990s. Because of this budget, Wisconsin will be more competitive in attracting business and Wisconsin taxpayers will get to keep more of their own hard–earned money.

In addition, this budget invests $380 million in new state funds into public education opportunities, including nearly $300 million in funding for public schools and a $300 increase per student over the next two years. Parents will have more choices for their children's education, no matter their zip code. It freezes tuition for the UW System campuses and introduces performance–based funding for the UW and Technical College systems. By investing in the future of our children, we open economic opportunity to all.

This budget changes the relationship between the State and its citizens by encouraging personal responsibility, especially in the use of the federal entitlements of Medicaid and FoodShare. By reforming Medicaid, all Wisconsinites will have access to affordable health insurance. Medicaid is maintained as a safety net for our state's most vulnerable, while protecting our state's taxpayers from uncertain federal funding due to the federal government's implementation of the Affordable Care Act. The State's commitment to the federal FoodShare program gives worker training to those receiving benefits to help them find jobs.

We continue to invest in Wisconsin's infrastructure through improvements to the Zoo Interchange and Hoan Bridge in Milwaukee and comprehensive upgrades to the maintenance of the state highway system. In this way, Wisconsin can get goods, manufacturing or agricultural products, to market efficiently. In addition, the State makes an investment in its natural resources and tourism through a walleye fishery initiative. The State continues a vigorous building program with improvements throughout the state.

The following is a brief summary of how this budget, including my vetoes, will make Wisconsin more prosperous, more efficient and more independent:

Income Tax Relief

• Provides the largest tax cut in 14 years by driving income tax rates down for all filers, with the largest cuts aimed at taxpayers making between $15,000 and $50,000 amounting to around a 5 percent reduction for these filers. The median family of four making $80,607 will save $345 in this budget and $1,725 over the next decade in income tax savings. All Wisconsin families will keep more of the money they earn.

• Simplifies Wisconsin's tax code by eliminating 17 little–used credits, reducing the number of income tax brackets from five to four and adopting federal treatment of several provisions. Tax simplification reduces the state's compliance burden on individuals and businesses, improving Wisconsin's business climate.

• Cuts total income taxes by $650 million over the biennium; the beginning balance for the biennium is $670 million. In this way, the tax cut is paid for by sound fiscal stewardship. The state's taxpayers reap the benefit and the state can compete for business.

Growing Our Economy

• Provides access to seed capital for growing businesses through the seed accelerator program and maintains a commitment to promoting tourism businesses in Wisconsin. Immediately adds $36 million in additional economic development tax credits and repeals the $47.5 million lifetime cap on the angel investment tax credit program.

• Allocates $118.6 million over the biennium for economic development efforts administered by the Wisconsin Economic Development Corporation (WEDC) and enhances efficiency of WEDC's economic development programs by strengthening the corporation's auditing, reporting and procurement standards.

• Provides $2.5 million to the Wisconsin Development Reserve Fund to leverage $11.25 million for loan guarantees in support of the Wisconsin Housing and Economic Development Authority's (WHEDA) Transform Milwaukee initiative.

• Provides $25 million GPR in fiscal year 2013–14 for an investment capital program passed in separate legislation.

Developing Our Workforce

• Provides increased opportunities for workers through Wisconsin's technical colleges through the use of performance funding to focus on job placement and programs in high demand fields.

• Continues to work to increase employment, through a variety of initiatives that build on the successful features of past programs, such as the Transform Milwaukee jobs initiative and the Trial Employment Match Program (TEMP).

• Invests $31 million all funds into expanding and improving work training services for individuals with the lowest incomes, while requiring able−bodied adults without dependents to meet federal work or employment training requirements in order to receive FoodShare benefits.

Rural Access to Care and Workforce Development

• With an aging population and increased health care access, Wisconsin faces a physician shortage in rural and underserved areas. This budget provides grants to rural hospitals to provide residency slots to alleviate the primary physician shortage to address the primary health care shortage in Wisconsin by increasing the size and scope of rural medical programs at the Medical College of Wisconsin (MCW) and the UW−Madison Medical School.

  o MCW will build two new campuses in the Wausau and Green Bay areas.

  o UW will expand the medical school's Wisconsin Academy for Rural Medicine (WARM) and Training in Urban Medicine and Public Health (TRIUMPH) programs using $1.5 million of program revenue.

• Funds additional students at the Marquette Dental School to provide more dental care in Wisconsin.

• Provides $3.75 million to fund increased access to the UW Carbone Cancer Center's cutting−edge molecular imaging.

• In addition, provides grants to rural hospitals to create residency slots and help fund the continuation of those residency positions in high−need medical specialties.

Transforming Education

• Provides $380 million in new state funds for public education and quality educational opportunities for students, including nearly $300 million for K−12 public schools.

• Provides an additional $250,000 over the biennium for STEM (Science, Technology, Engineering and Math) grants.

• Provides $2.8 million over the biennium to continue and expand the PALS reading screener to ensure teachers can measure basic reading skills for all students from four−year−old kindergarten through 2nd grade.

• Provides $13.6 million for a new Educator Effectiveness system for evaluating teachers.

• Provides $1 million to expand Teach for America's presence in Milwaukee.

• Implements a cap on tuition at the UW System, the first two−year tuition freeze in the history of the UW system.

• The University of Wisconsin will fund $2 million to support the start−up of a UW Flexible Option—an on−line learning and degree option that will transform higher education.

Transforming Education through School Choice

• Expands school choice options statewide to allow low−income families to choose the appropriate educational environment for their children: 500 students in the first year and 1,000 students in the second year for families below 185 percent of the federal poverty level will be allowed to participate.

• Creates a new tuition tax deduction of up to $4,000 a year for K−8 students and $10,000 a year for parents with high school students. This will cost $30 million a year.

Reforming Government

• Keeps property tax increases under control. The median value home is expected to have an increase of just less than 1 percent on both the December 2013 and December 2014 tax bills.

• Continues to protect property taxpayers by maintaining levy limits on counties, municipalities and technical college districts, limiting levy increases to the rate of growth due to new construction.

• Provides $29.7 million over the biennium in added funding for property tax credits.

• Encourages local government cooperation by removing a disincentive for contracted services between municipalities under the expenditure restraint program.

• Maintains the state's commitment to counties and municipalities by funding shared revenue at current law levels.

• Creates an electronic benefit card, which will initially be used for Wisconsin Works benefits, and then to support the child care parent pay initiative.

• Creates a program, funded at $200,000 GPR annually, to reimburse local governments for consulting services provided by private businesses to establish efficiency initiatives, or ”lean programs.”

• Provides additional flexibility and staffing for the state building program at the Department of Administration to improve oversight of the building program.

• Designates single prime contracting, which streamlines relationships between the state, general contractors, and mechanical, electrical, plumbing and fire protection contractors, as the default project delivery method for large state building projects.

• Allows the Department of Administration and Building Commission to sell state–owned real property, with legislative approval, in situations where it makes sense to do so for taxpayers, as well as the State.

• Reduces executive branch agency positions by 450 FTE positions during the 2013–15 biennium, in an effort to further streamline state government.

• Increases expenditure authority at the Department of Employee Trust Funds to fund the modernization and technology integration project, which will streamline and provide additional services to participants in the Wisconsin Retirement System.

• Increases the required break in service after retirement from 30 to 75 days for new rehires. Requires new rehires, who are working more than two–thirds of full time, to stop annuity payments, rejoin the Wisconsin Retirement System and earn additional years of service.

• Promotes a wellness program to improve the health of state employees.

• Requires that the Group Insurance Board offer a health care coverage option that consists of a high–deductible health plan coupled with a health savings account to help employees become cost–conscious consumers of their own health care.

• Creates an Office of the Inspector General in the Department of Children and Families to conduct fraud prevention, program integrity and audit activities for all department–administered programs, including the Bureau of Milwaukee Child Welfare.

Investing in Infrastructure

• Invests a total of $6.4 billion in Wisconsin’s transportation infrastructure.

• Provides a total of $517 million for continued construction of the Zoo Interchange and I–94 North–South Corridor. Of this amount, $486 million will go to keep the Zoo Interchange reconstruction project on time.

• Invests $226 million in the Hoan Bridge and $15.9 million in the state’s harbor system.

• Provides $67 million above base amounts for state highway rehabilitation.

• Provides an increase of $52 million for routine maintenance agreements with counties.

• Provides $52 million for Freight Rail Preservation over the biennium.

• Uses a one–time transfer of $4.3 million of program revenue for a broadband grant program, administered by the Public Service Commission, to increase broadband access and capacity and expand high–speed Internet service access.

Medicaid Entitlement Reform

• Protects the state’s most vulnerable citizens by investing $751 million of new GPR to preserve the health care safety net provided by Medicaid, BadgerCare Plus and SeniorCare while implementing additional program reforms to ensure these programs remain sustainable and strong into the future.

• Reduces the number of uninsured individuals by over 224,000 or nearly 50 percent by providing Medicaid coverage to children and adults living in poverty, while protecting taxpayers by rejecting the unsustainable federal expansion mandated by the Affordable Care Act. The budget provides $54 million all–funds to county income maintenance consortia to assist residents in obtaining health care coverage.

• Strengthens the Office of the Inspector General in the Department of Health Services by establishing a permanent administrative structure. To date, the work of the office saves taxpayers $23 on average for every dollar of administrative cost.

Investing in Wisconsin's Veterans

- Extends the Veterans and Surviving Spouse Property Tax Credit to un−remarried surviving spouses, whose spouse died of a service−connected disability.
- Adds more than 100 new full−time direct−care staff at veterans' facilities.
- Increases funding to veterans organizations providing assistance to veterans and their families.
- Extends the Wisconsin GI Bill to veterans who have established residency in the state by being here for five consecutive years.
- Provides an additional $5.3 million in state funds for the Veterans Trust Fund; improving its solvency.

Mental Health Initiatives

- Invests $28.9 million in state funds for mental health programs to expand services to individuals living with mental illness.

Protecting Victims of Domestic Violence

- $10.6 million in state funds will be used to partner with Children's Hospital and the Sojourner Family Peace Center on the Family Justice Center project in Milwaukee to provide services and shelter to families in crisis.
- Provides $560,000 to the Domestic Abuse Intervention Services Center (DAIS) in Madison to help construct a new facility.
- Provides $2 million in additional funding for counties to use in establishing and continuing restorative justice programs promoting drug abuse treatment.
- Provides stable funding of $2 million annually for Sexual Assault Victim Services center grants.

Protecting the Innocent and Seeking Justice for Victims

- Institutes a DNA at Arrest initiative to promote a more effective, efficient and certain investigative process to find criminals, exonerate innocents and comfort victims.
- Creates a GPS tracking program to protect victims from violent accused abusers.
- Provides additional resources for the Internet Crimes Against Children Task Force.

I have made 57 vetoes to the budget. These vetoes remove unnecessary reports and requirements, clarify program intentions and timelines, and promote the more efficient administration of the executive branch. These vetoes reduce spending by $865,000 GPR over the biennium.

I applaud the leadership of the Legislature for delivering on a substantial tax cut, entitlement reform, and investing in education and infrastructure needs. The budget makes investments in our people and maintains Wisconsin's solid fiscal integrity. In this way, Wisconsin is better prepared to preserve the freedom of its citizens, and to meet the competitive challenges of a globalized economy.

Respectfully submitted,

SCOTT WALKER

Governor

V. VETOED ITEMS

A. GROWING OUR ECONOMY

A–1. Vapor Recovery Equipment Removal Grant

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Governor's written objections

Section 2104k

This provision creates a grant program in the Department of Natural Resources to reimburse gas stations for the costs of removing Stage II vapor recovery equipment. Eligible recipients, who are owners or operators of gas stations who decommissioned Stage II recovery equipment from their facilities on or after April 16, 2012, may receive up to $8,000 per gas station, provided the owner or operator pay 50 percent of the eligible removal costs. In addition, the provision requires the department to promulgate rules outlining the eligible costs, to award grants in the order in which the applications have been received, and to prohibit awards after June 30, 2015.

I am partially vetoing this provision to remove the requirement that all grants must be awarded by June 30, 2015, because the deadline is insufficient to provide gas station operators time to apply for and receive the grants. Instead, I am directing the department to permit applications continuously and request additional appropriation authority as necessary in the 2015–17 biennium to support the program.

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Cited segments of 2013 Assembly Bill 40:

SECTION 2104k. 285.31 (6) of the statutes is created to read:

285.31 **(6)** VAPOR RECOVERY SYSTEM REMOVAL GRANTS. (a) The department shall administer a program to provide grants to owners and operators of retail stations for eligible costs incurred after April 15, 2012, to remove vapor control systems described in sub. (3) (a). The maximum grant under this subsection is 50 percent of eligible costs of removing a vapor control system from a retail station or $8,000, whichever is less. The department shall award grants under this subsection in the order in which applications are received and may not award a grant after June 30, 2015. **Vetoed In Part**

B. DEVELOPING OUR WORKFORCE

B–2. Unemployment Insurance—Holidays and Partial Benefits

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Governor's written objections

Sections 1717v, 1717x, 9351 (5q) and 9451 (6q)

These sections create a provision that modifies eligibility for partial unemployment insurance benefits by reducing by eight hours the maximum hours an unemployment insurance claimant can work if a legal holiday occurs during that

week. This provision only applies if the claimant has base period wages from a single employer and that employer notifies the Department of Workforce Development and follows the procedures for a complete business shutdown on that holiday.

I am vetoing these sections because I object to enactment of this provision at this time. More study is needed to ensure compliance with federal laws and regulations, and this policy is best addressed in separate legislation. The Legislature should work with the Department of Workforce Development and the Unemployment Insurance Advisory Council to formulate a policy that meets the intent of this provision without jeopardizing federal grant funds.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 1717v. 108.05 (3) (c) (intro.) of the statutes, as affected by 2013 Wisconsin Act 11, is amended to read:

108.05 **(3)** (c) (intro.) Except when otherwise authorized in an approved work−share program under s. 108.062 and except as provided in par. (cm), a claimant is ineligible to receive any benefits for a week in which one or more of the following applies to the claimant for 32 or more hours in that week:

SECTION 1717x. 108.05 (3) (cm) of the statutes is created to read:

108.05 **(3)** (cm) 1. In this paragraph:

a. "Complete business shutdown" means that all locations operated by an employer are closed for business completely and no employee employed by the business is required by the employer to report for work or be available for work.

b. "State or federal holiday" means a day specified in s. 230.35 (4) (a) or in 5 USC 6103 (a).

2. An employer may, on or before December 1, provide to the department a written notice designating that the employer will undergo a complete business shutdown on one or more state or federal holidays in the succeeding calendar year. An employer may not designate more than 7 state or federal holidays under this subdivision for a complete business shutdown during the succeeding calendar year.

3. A notice under subd. 2. is not valid for any year subsequent to the succeeding calendar year.

4. The number of hours specified in par. (c), as it applies to a claimant, is reduced by 8 hours for the week during which a state or federal holiday occurs if all of the following apply:

a. The claimant has base period wages only from the employer under subd. 2.

b. The employer designated the state or federal holiday for a complete business shutdown under subd. 2. and underwent a complete business shutdown on that day.

5. If an employer that provides a notice under subd. 2. will not or does not undergo a complete business shutdown on a state or federal holiday as designated in the notice, the employer shall, no later than the first business day following the week in which the state or federal holiday occurs, provide the department with a written notice indicating that the complete business shutdown will not or did not occur.

Vetoed In Part

SECTION 9351. Initial applicability; Workforce Development.

(5q) UNEMPLOYMENT INSURANCE; HOLIDAYS AND PARTIAL BENEFITS. The treatment of section 108.05 (3) (c) (intro.) and (cm) of the statutes first applies to notices submitted by employers to the department of workforce development for complete business shutdowns that will occur on state or federal holidays in the year 2015.

Vetoed In Part

SECTION 9451. Effective dates; Workforce Development.

(6q) UNEMPLOYMENT INSURANCE; HOLIDAYS AND PARTIAL BENEFITS. The treatment of section 108.05 (3) (c) (intro.) and (cm) of the statutes and SECTION 9351 (5q) of this act take effect on the first Sunday after publication.

Vetoed In Part

C. TRANSFORMING EDUCATION

C–3. Release of Data Related to Schools Participating in Parental Choice Programs

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Governor's written objections

Section 1857m and 1876dp [as each relates to data to be released and the selective release of data]

These sections require that if the Department of Public Instruction releases data related to pupils participating in or seeking to participate in a parental choice program for certain eligible school districts, the data must be released all at the same time, uniformly and completely, except that the department may selectively release portions of information to school districts, individual schools or entities authorized to obtain data for private schools or school districts. Data to be released may include, but is not limited to, enrollment of, standardized test results for, applications submitted by, waiting lists for and other information related to these students.

I am partially vetoing these sections because I object to the selective release of portions of student information, which erodes the goals of consistency and transparency related to data surrounding parental choice programs for eligible school districts. Additionally, I am partially vetoing this provision to provide certainty to the department as to what data must be released at the same time, uniformly and completely.

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Cited segments of 2013 Assembly Bill 40:

SECTION 1857m. 118.60 (11) (d) of the statutes is created to read:

Vetoed In Part 118.60 **(11)** (d) 1. Except as provided in subd. 2., when the department publicly releases data related to, but not limited to, enrollment of, standardized test results for, applications submitted by, waiting lists for, and other information related to pupils participating in or seeking to participate in the program under this section, release the data all at the same time, uniformly, and completely.

Vetoed In Part 2. The department may selectively release portions of the information specified in subd. 1. only to the following:

a. A school district or individual school.

b. An entity requesting the information for a specific participating private school or the school district within which a pupil participating in the program under this section resides, provided that the entity is authorized to obtain official data releases for that school or school district.

SECTION 1876dp. 119.23 (11) (d) of the statutes is created to read:

Vetoed In Part 119.23 **(11)** (d) 1. Except as provided in subd. 2., when the department publicly releases data related to, but not limited to, enrollment of, standardized test results for, applications submitted by, waiting lists for, and other information related to pupils participating in or seeking to participate in the program under this section, release the data all at the same time, uniformly, and completely.

Vetoed In Part 2. The department may selectively release portions of the information specified in subd. 1. only to the following:

a. The school district or an individual school.

b. An entity requesting the information for a specific participating private school or the school district, provided that the entity is authorized to obtain official data releases for that school or the school district.

C−4. Work Based Learning Programs

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Governor's written objections

Section 1828g [as it relates to applicability of state child labor laws to work based learning program participating employers]

This provision specifies that state child labor laws set forth in ss. 103.21 to 103.31 and 103.64 to 103.82, Wisconsin Statutes, and federal labor law requirements for age and immigration status apply to employers participating in work based learning programs.

This partial veto leaves intact the requirement that employers comply with state child labor laws and that school boards or school governing bodies ensure that employers comply with appropriately applicable law. I am partially vetoing this provision because the referenced statutes include regulations that I believe are incorrectly applied to employers participating in a work based learning program. For example, s. 103.71 essentially prohibits minors from working during school hours, but work based learning programs necessarily involve work during school hours.

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Cited segments of 2013 Assembly Bill 40:

SECTION 1828g. 118.56 of the statutes is created to read:

118.56 Work based learning programs.

(3)

(a) Comply with state child labor laws under ss. 103.21 to 103.31 and 103.64 to 103.82 and any applicable federal labor law requirements for age and immigration status.

Vetoed In Part

C−5. School Accountability Report Issuance

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Governor's written objections

Section 1746 [as it relates to the date by which school accountability reports must be issued]

This provision requires the Department of Public Instruction to publish, by September 30 of each year, school and school district accountability reports, also known as school report cards. The provision requires that the report cards include measurement of performance or improvement in (a) public achievement and growth in reading and mathematics; (b) college and career readiness for high school students, and indications of being "on track" for elementary grades; and (c) gaps in achievement and rates of graduation categorized by race, English language proficiency, disability and income level. Using these measures, the provision requires that the report cards place each school or district into one of five performance categories. The provision further requires the publishing of school report cards for independent charter schools and schools participating in a parental choice program within one year after the department collects data from those schools through a student information system.

I am partially vetoing this provision because I object to the belated date by which issuance of the report cards is required. The report cards contain critical information for parents who may be choosing a school or school district, and this information should be available to them at least prior to the beginning of the school year.

.....

Cited segments of 2013 Assembly Bill 40:

SECTION 1746. 115.385 of the statutes is created to read:

115.385 School and school district accountability report. (1) Annually by September 30, the department shall publish a school and school district accountability report that includes all of the following components: **Vetoed In Part**

C–6. Acceptance of Pupils Outside the Enrollment Caps

.....

Governor's written objections

Sections 1844e [as it relates to accepting pupils outside of the limitations], 1848d [as it relates to providing notice to private schools related to applicants that may be accepted] and 1848h [as it relates to providing notice to private schools related to applicants that may be accepted]

These provisions permit private schools in an eligible school district under s. 118.60 (1) (am) or a first class city school district to accept pupils under the expanded parental choice program, and provide that these pupils would not count toward the limitations of 500 pupils in the 2013–14 school year and 1,000 pupils in the 2014–15 school year in the expanded program.

I am partially vetoing section 1844e because I believe the caps included in this section should represent the total number of students allowed into a parental choice program expansion. Permitting private schools in some districts to accept pupils outside of the cap is beyond the scope of the expansion and may have unintended consequences. I am requesting that the Legislature evaluate the need for further legislation to accomplish the intent of the expansion.

I am also partially vetoing sections 1848d and 1848h to eliminate language that becomes inconsistent as a result of the partial veto of 1844e; if private schools are not eligible to accept pupils outside of the caps, no notifications under sections 1848d and 1848h are necessary.

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Cited segments of 2013 Assembly Bill 40:

SECTION 1844e. 118.60 (2) (be) of the statutes is created to read:

Vetoed In Part 118.60 **(2)** (be) 1. a. Subject to subd. 1. b., in the 2013–14 school year, no more than 500 pupils, as counted under s. 121.004 (7), who reside in a school district, other than an eligible school district or a 1st class city school district, may attend private schools under this section.

Vetoed In Part b. For purposes of determining whether the pupil participation limit under subd. 1. a. has been reached, a pupil who resides in a school district other than an eligible school district or a 1st class city school district and who attends a private school that participated in the program under this section or under s. 119.23 in the 2012–13 school year is not counted.

Vetoed In Part 2. a. Subject to subd. 2. b., in the 2014–15 school year and in each school year thereafter, no more than 1,000 pupils, as counted under s. 121.004 (7), who reside in a school district, other than an eligible school district or a 1st class city school district, may attend private schools under this section.

Vetoed In Part b. For purposes of determining whether the pupil participation limit under subd. 2. a. has been reached, a pupil who resides in a school district other than an eligible school district or a 1st class city school district and who attends a private school that participated in the program under this section or under s. 119.23 in the 2012–13 school year is not counted.

SECTION 1848d. 118.60 (3) (ag) of the statutes is created to read:

118.60 **(3)** (ag)

7. A private school that participated in the program under this section or under s. 119.23 in the 2012–13 school year may not be selected as one of the 25 schools under subd. 3. b. The department shall notify a private school to which this subdivision applies that all applicants reported under subd. 2. may be accepted into the private school for the 2013–14 school year. **Vetoed In Part**

Section 1848h. 118.60 (3) (ar) of the statutes is created to read:

118.60 **(3)** (ar)

7. A private school that participated in the program under this section or under s. 119.23 in the 2012−13 school year may not be selected as one of the 25 schools under subd. 3. b. for the 2014−15 school year. The department shall notify a private school to which this subdivision applies that all applicants reported under subd. 2. may be accepted into the private school for the 2014−15 school year. **Vetoed In Part**

C−7. Notification by the Department of Public Instruction of Accreditation Status

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Governor's written objections

Sections 1857e and 1876dL

These provisions require the Department of Public Instruction to notify a private school participating in a parental choice program that the department has received and approved the school's accreditation status, which is required to be demonstrated annually under section 1856w of the bill.

I am partially vetoing these provisions because they require the department to approve accreditation status that is issued by certain third−party entities. The department is not in a position to issue such an approval.

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Cited segments of 2013 Assembly Bill 40:

Section 1857e. 118.60 (11) (c) of the statutes is created to read:

118.60 **(11)** (c) Within 10 days after receiving the information submitted as required under sub. (7) (em), notify the participating private school of receipt and approval of accreditation status. **Vetoed In Part**

Section 1876dL. 119.23 (11) (c) of the statutes is created to read:

119.23 **(11)** (c) Within 10 days after receiving the information submitted as required under sub. (7) (em), notify the participating private school of receipt and approval of accreditation status. **Vetoed In Part**

C−8. Notification by the Department of Public Instruction of Acceptance Status of Parental Choice Program Applicants

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Governor's written objections

Sections 1848d [as it relates to notification requirements contained in s. 118.60 (3) (ag) 7.] and 1848h [as it relates to notification requirements contained in s. 118.60 (3) (ar) 7.]

These provisions specify that private schools participating in a parental choice program in the 2012−13 school year (through the Milwaukee Public Schools (MPS) or Racine Unified School District (RUSD) programs) may not be selected under the parental choice program expansion as one of 25 schools that is allocated 10 seats under the expansion if pupil applications exceed the statewide cap in either 2013−14 or 2014−15.

I am partially vetoing these provisions because they are inconsistent with the pupil participation limit of one percent for any school district other than MPS or RUSD. These provisions indicate that the Department of Public Instruction would be required to notify private schools participating in a parental choice program in the 2012−13 school year that they may accept all applications of pupils from other districts, when in fact the number of pupil applications may exceed one percent of the district's enrollment. This partial veto eliminates the requirement that the department notify private schools participating in a parental choice program in 2012−13 that all applications may be accepted.

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Cited segments of 2013 Assembly Bill 40:

SECTION 1848d. 118.60 (3) (ag) of the statutes is created to read:

118.60 **(3)** (ag)

7. A private school that participated in the program under this section or under s. 119.23 in the 2012–13 school year may not be selected as one of the 25 schools under subd. 3. b. The department shall notify a private school to which this subdivision applies that all applicants reported under subd. 2. may be accepted into the private school for the 2013–14 school year. **Vetoed In Part**

SECTION 1848h. 118.60 (3) (ar) of the statutes is created to read:

118.60 **(3)** (ar)

7. A private school that participated in the program under this section or under s. 119.23 in the 2012–13 school year may not be selected as one of the 25 schools under subd. 3. b. for the 2014–15 school year. The department shall notify a private school to which this subdivision applies that all applicants reported under subd. 2. may be accepted into the private school for the 2014–15 school year. **Vetoed In Part**

C–9. Segregated Fee Freeze

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Governor's written objections

Section 9148 (4n) (title) and (b)

This section requires the Board of Regents to ensure that the allocable portion of segregated fees charged to students enrolled in a University of Wisconsin System institution or college campus in academic years 2013–14 and 2014–15 not exceed the segregated fees charged to students in the 2012–13 academic year.

I am partially vetoing this section because I object to freezing the portion of segregated fee rates allocated by students to support student–led activities and services. I support vesting responsibility for the disposition of fees that support student activities with the students at each University of Wisconsin institution or college campus. As a result of this veto, the portion of segregated fees allocated by students may increase, if approved by students, in academic years 2013–14 and 2014–15 over the amount charged in the 2012–13 academic year.

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Cited segments of 2013 Assembly Bill 40:

SECTION 9148. Nonstatutory provisions; University of Wisconsin System.

(4n) TUITION AND SEGREGATED FEES .

Vetoed In Part

(b) The Board of Regents of the University of Wisconsin System shall ensure that the allocable segregated fees charged students enrolled in an institution or college campus in the 2013–14 and 2014–15 academic years do not exceed the allocable segregated fees charged students enrolled in that institution or college campus in the 2012–13 academic year. **Vetoed In Part**

C–10. Differential Tuition Freeze

.....

Governor's written objections

Section 9148 (4n) (a) 2.

This section prevents the Board of Regents from increasing resident undergraduate tuition in academic years 2013–14 and 2014–15 over the amount charged in academic year 2012–13, with the exception of differential tuition approved by the Board of Regents before June 1, 2011.

I am partially vetoing this section because I object to allowing differential tuition to increase over the amount charged in academic year 2012–13. I support the goal of keeping higher education affordable for Wisconsin resident undergradu-

ate students. As a result of this partial veto, differential tuitions must remain at or below the amounts charged in academic year 2012−13.

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Cited segments of 2013 Assembly Bill 40:

SECTION 9148. Nonstatutory provisions; University of Wisconsin System.
(4n) (a)

2. The limit under subdivision 1. does not apply to differential tuition approved by the Board of Regents before June 1, 2011.

Vetoed In Part

C−11. Performance Funding Formula

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Governor's written objections

Section 646 [as it relates to each fiscal year after fiscal year 2016−17]

This section specifies that the percentage of state aid distributed by the Technical College System Board under the performance funding formula created under s. 38.28 (2) (be) would be 10 percent of total state aid in fiscal year 2014−15, 20 percent of total state aid in fiscal year 2015−16 and 30 percent of total state aid in fiscal year 2016−17 and every year thereafter.

I am partially vetoing this section because I object to an arbitrary cap on the percentage of state aid distributed through the performance funding formula. I support a gradual transition from the equalization formula to a formula based on each technical college district's performance on key state priorities by increasing the percentage of state aid distributed through the performance funding formula by 10 percent each year and decreasing the percentage of state aid distributed through the general aid formula by the same amount. As a result of this veto, the portion of state funding distributed through the performance funding formula would revert to zero in fiscal year 2017−18. I intend to address the continued transition to a performance funding formula for fiscal year 2017−18 and beyond in my next biennial budget proposal.

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Cited segments of 2013 Assembly Bill 40:

SECTION 646. 38.28 (2) (bm) of the statutes is created to read:
38.28 **(2)** (bm) 2.

d. In fiscal year 2016−17 and each fiscal year thereafter, the percentage is 30 percent.

Vetoed In Part

D. REFORMING GOVERNMENT

D−12. Conversion of Farmland Preservation Credit to Grant

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Governor's written objections

Sections 200 [as it relates to s. 20.115 (4) (cm)], 202u, 1277g, 1434t, 1437e, 1440cm, 1587p, 1587pb, 1587pc, 1587pd, 1587q, 1587r, 1587s, 1587t, 1587u, 1587v, 1587w and 9137 (2L)

These provisions convert the per acre farmland preservation credit program (generally the form of the credit available for agreements entered into after July 1, 2009) from a tax credit to a grant program administered by the Department of Agriculture, Trade and Consumer Protection beginning with tax years starting on or after January 1, 2014, and authorize the Department of Administration to transfer position authority from the Department of Revenue to the department of Agriculture, Trade and Consumer Protection for the purpose of administering the program.

I am vetoing sections 202u, 1277g, 1434t, 1437e, 1440cm, 1587p, 1587pb, 1587pc, 1587pd, 1587q, 1587r, 1587s, 1587t, 1587u, 1587v and 1587w because I object to the possible confusion and duplicative effort the conversion of the credit will have for claimants. Because the grant program would be separated from the tax form on which farmland preservation claimants have typically claimed farmland preservation credits, these provisions will require separate, and likely duplicative, documentation by claimants. Additionally, the conversion of the credit into a grant program will increase costs borne by state agencies by adding to their administrative responsibilities related to the program. I support efforts to simplify the tax code, but those efforts cannot be made at the expense of greater burdens on beneficiaries of state programs or at the expense of programmatic efficiency. However, I believe that this issue should be reviewed in the future to determine whether a conversion of the program would be in the best interests of claimants and taxpayers at large (including modifications to the "old" version of the credit for earlier farmland preservation agreements that would remain on the tax forms under the bill).

In addition, I am partially vetoing section 200 [as it relates to s. 20.115 (4) (cm)] to remove the appropriation created under the Department of Agriculture, Trade and Consumer Protection for the purpose of paying farmland preservation grants. The effect of this partial veto, in conjunction with other veto actions, is to retain the farmland preservation credit program as a tax credit. As a result of these actions, the estimated $20,900,000 GPR that would have been expended through the appropriation under s. 20.115 (4) (cm) in fiscal year 2014−15 will instead be expended under the sum sufficient appropriation under s. 20.835 (2) (do). Consequently, I am requesting the Department of Administration secretary to reestimate expenditures under s. 20.835 (2) (do) upward by this amount for fiscal year 2014−15 and to not allot the funds under the vetoed appropriation under s. 20.115 (4) (cm) for fiscal year 2014−15. This shift will have no impact on farmland preservation credit claimants.

Finally, I am vetoing section 9137 (2L) to remove the authority of the Department of Administration to transfer position authority from the Department of Revenue to the Department of Agriculture, Trade and Consumer Protection for the purpose of administering the grant program. Because the program will remain a tax credit program, this authority is unnecessary.

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Cited segments of 2013 Assembly Bill 40:

SECTION 200. 20.005 (3) of the statutes is repealed and recreated to read:

20.115 Agriculture, Trade and Consumer Protection, Department of

(4) AGRICULTURAL ASSISTANCE

(cm) Farmland preservation grants	GPR	S	–0–	20,900,000	**Vetoed In Part**

Vetoed In Part

SECTION 202u. 20.115 (4) (cm) of the statutes is created to read:

20.115 **(4)** (cm) *Farmland preservation grants.* A sum sufficient for farmland preservation grants under s. 91.90.

Vetoed In Part

SECTION 1277g. 66.0721 (1) (b) of the statutes is amended to read:

66.0721 **(1)** (b) "Eligible farmland" means land that is eligible for farmland preservation tax credits under ss. 71.58 to 71.61 or 71.613 or for a grant under s. 91.90.

Vetoed In Part

SECTION 1434t. 71.61 (6) of the statutes is amended to read:

71.61 **(6)** PROHIBITION OF NEW CLAIMS. For taxable years beginning after December 31, 2009, no new claims for a credit may be filed under ss. 71.57 to 71.61, but if an otherwise eligible claimant is subject to a farmland preservation agreement, as defined in s. 91.01 (7), 2007 stats., that is in effect on July 1, 2010, the claimant may continue to file a claim for the credit under ss. 71.57 to 71.61 until the farmland preservation agreement expires, except that no claimant who files a claim under ss. 71.57 to 71.61 may file a claim under s. 71.613 or apply for a grant under s. 91.90.

Vetoed In Part

SECTION 1437e. 71.613 (5) of the statutes is created to read:

71.613 **(5)** PROHIBITION OF NEW CLAIMS. For taxable years beginning after December 31, 2013, no new claims for a credit may be filed under this section. If an otherwise eligible claimant is subject to a farmland preservation agreement that is entered into after July 1, 2009, and before the effective date of this subsection .... [LRB inserts date], the claimant may continue to claim the benefit for the credit that the claimant would otherwise be eligible for under this section, until the farmland preservation agreement expires, by filing a claim for a grant under s. 91.90.

Vetoed In Part

Vetoed In Part

SECTION 1440cm. 71.78 (11) of the statutes is created to read:

71.78 **(11)** DISCLOSURE OF INFORMATION CONCERNING GRANT ELIGIBILITY. The department may disclose to the department of agriculture, trade and consumer protection whether any person in the household of a person who applies for a grant under s. 91.90 has claimed a credit under subch. VIII of this chapter.

Vetoed In Part

SECTION 1587p. 91.01 (15) (intro.) of the statutes is amended to read:

91.01 **(15)** (intro.) "Farmland preservation agreement" means any of the following agreements between an owner of land and the department under which the owner agrees to restrict the use of land in return for tax credits or grants:

SECTION 1587pb. 91.04 (2) (intro.) of the statutes is amended to read:

91.04 **(2)** (intro.) A review and analysis of relevant information related to the farmland preservation program under this chapter and associated tax credit claims under subch. IX of ch. 71 and grant applications under s. 91.90, including information related to all of the following:

SECTION 1587pc. 91.04 (2) (b) of the statutes is amended to read:

91.04 **(2)** (b) Tax credit claims by landowners and grants paid to landowners, including the number of claimants and applicants for grants, the amount of credits claimed and grants paid, acreage covered by tax credit claims and grant applications, the amount of credits claimed and grant applications made under zoning ordinances and under farmland preservation agreements, and relevant projections and trends.

SECTION 1587pd. 91.60 (3) (c) of the statutes is amended to read:

91.60 **(3)** (c) The department and an owner of land who entered into a farmland preservation agreement before July 1, 2009, may agree to modify the farmland preservation agreement in order to allow the owner to claim the tax credit under s. 71.613 for a taxable year beginning before January 1, 2014, rather than the tax credit for which the owner would otherwise be eligible. The department and an owner of land who entered into a farmland preservation agreement before July 1, 2009, may agree to modify the farmland preservation agreement in order to allow the owner to receive a grant under s. 91.90 rather than the tax credit to which the owner would otherwise be eligible.

Vetoed In Part

SECTION 1587q. 91.80 of the statutes is amended to read:

91.80 Soil and water conservation by persons claiming tax credits or applying for grants. An owner claiming farmland preservation tax credits under s. 71.613 or applying for a grant under s. 91.90 shall comply with applicable land and water conservation standards promulgated by the department under ss. 92.05 (3) (c) and (k), 92.14 (8), and 281.16 (3) (b) and (c).

Vetoed In Part

SECTION 1587r. 91.82 (1) (b) of the statutes is amended to read:

91.82 **(1)** (b) For the purpose of par. (a), a county land conservation committee shall inspect each farm for which the owner claims farmland preservation tax credits under subch. IX of ch. 71 or applies for grants under s. 91.90 at least once every 4 years.

SECTION 1587s. 91.82 (2) (b) of the statutes is amended to read:

91.82 **(2)** (b) A county land conservation committee shall provide to the department of revenue and the department of agriculture, trade and consumer protection a copy of each notice of noncompliance issued under par. (a).

SECTION 1587t. Subchapter VII of chapter 91 [precedes 91.90] of the statutes is created to read:

CHAPTER 91

SUBCHAPTER VII

FARMLAND PRESERVATION GRANTS

91.90 Farmland preservation grants. (1) DEFINITIONS. In this section:

(a) "Eligible farm" means a farm that has produced at least $6,000 in gross farm revenues during the taxable year to which an application relates or, in the taxable year to which the application relates and the 2 immediately preceding taxable years, at least $18,000 in gross farm revenues.

(b) "Household" means an individual and his or her spouse and all minor dependents.

(c) "Qualifying acres" means the number of acres of an eligible farm that correlate to an applicant's percentage of ownership interest in the eligible farm to which one of the following applies:

1. The eligible farm is wholly or partially covered by a farmland preservation agreement, except that if the eligible farm is only partially covered, the qualifying acres calculation includes only those acres that are covered by a farmland preservation agreement.

2. The eligible farm is located in a farmland preservation zoning district at the end of the taxable year to which the application relates.

3. If the applicant transferred the applicant's ownership interest in the eligible farm during the taxable year to which the application relates, the eligible farm was wholly or partially covered by a farmland preservation agreement, or the eligible farm was located in a farmland preservation zoning district, on the date on which the applicant transferred the ownership interest. For the purposes of this subdivision, a land contract is a transfer of ownership interest.

(2) ELIGIBLE APPLICANT. An owner of farmland, domiciled in this state during the entire taxable year to which an application under this section relates, is eligible for a grant under this section, subject to the following:

(a) If 2 or more individuals of a household are able to qualify individually as an applicant, they may

Vetoed In Part

determine between them who the applicant will be. If they are unable to agree, the matter shall be referred to the secretary of agriculture, trade and consumer protection, whose decision is final.

(b) If any person in a household has claimed or will claim credit under subch. VIII of ch. 71, all persons from that household are ineligible to receive a grant under this section for the year to which the credit under subch. VIII of ch. 71 pertains.

(c) For partnerships, except publicly traded partnerships treated as corporations under s. 71.22 (1k), each individual partner is an eligible applicant.

(d) For limited liability companies, except limited liability companies treated as corporations under s. 71.22 (1k), each individual member is an eligible applicant.

(e) For purposes of filing an application under this section, the personal representative of an estate and the trustee of a trust are considered owners of farmland. The estate of a person who is a nonresident of this state on the person's date of death, a trust created by a nonresident person, a trust that receives Wisconsin real property from a nonresident person, or a trust in which a nonresident settlor retains a beneficial interest is not an eligible applicant under this section.

(f) For purposes of this section, when land is subject to a land contract, the eligible applicant is the vendee under the contract.

(g) For purposes of this section, when a guardian has been appointed in this state for a ward who owns the farmland, the eligible applicant is the guardian on behalf of the ward.

(h) For a tax–option corporation, each individual shareholder is an eligible applicant.

(3) GRANTS. Subject to sub. (5) and the limitations and conditions in sub. (4), if a person who is an eligible applicant under sub. (2) applies for a grant under this section, the department shall pay the person a grant in an amount calculated by multiplying the number of the person's qualifying acres by one of the following:

(a) Ten dollars, if the qualifying acres are located in a farmland preservation zoning district and are also subject to a farmland preservation agreement that is entered into after July 1, 2009.

(b) Seven dollars and 50 cents, if the qualifying acres are located in a farmland preservation zoning district but are not subject to a farmland preservation agreement that is entered into after July 1, 2009.

(c) Five dollars, if the qualifying acres are subject to a farmland preservation agreement that is entered into after July 1, 2009, but are not located in a farmland preservation zoning district.

(4) LIMITATIONS AND CONDITIONS. (a) The department may not pay a grant under this section unless all of the following apply:

1. The grant relates to a taxable year that begins after December 31, 2013.

2. The applicant certifies to the department that the applicant has paid, or is legally responsible for paying, the property taxes levied against the qualifying acres to which the application relates.

Vetoed In Part

3. The applicant certifies to the department that at the end of the taxable year to which the application relates or on the date on which the person transferred the person's ownership interest in the eligible farm, if the transfer occurs during the taxable year to which the application relates, there was no outstanding notice of noncompliance issued against the eligible farm under s. 91.82 (2).

4. The applicant submits to the department a certification of compliance with soil and water conservation standards, as required by s. 91.80, issued by the county land conservation committee unless, in the last preceding year, the applicant received a tax credit under ss. 71.57 to 71.61 or s. 71.613 or a grant under this section for the same farm.

(b) If an eligible farm is jointly owned by 2 or more persons who file separate income or franchise tax returns, each person may receive a grant under this section based on the person's ownership interest in the eligible farm.

(c) If a person acquires or transfers ownership of an eligible farm during a taxable year for which an application may be filed under this section, the person may apply for a grant under this section based on the person's liability for the property taxes levied on the person's qualifying acres for the taxable year to which the application relates.

(d) A person shall apply for a grant under this section on a form prepared by the department and shall submit any documentation required by the department. On the application form, the applicant shall certify all of the following:

1. The number of qualifying acres for which the application is made.

2. The location and tax parcel number for each parcel on which the qualifying acres are located.

3. That the qualifying acres are covered by a farmland preservation agreement or located in a farmland preservation zoning district, or both.

4. That the qualifying acres are part of an eligible farm that complies with applicable state soil and water conservation standards, as required by s. 91.80.

(e) A person is not eligible for a grant under this section unless the person applies for the grant within one year after the end of the taxable year to which the application relates.

(5) INELIGIBILITY DUE TO FRAUDULENT OR RECKLESS APPLICATION. (a) In this subsection:

1. "Fraudulent application" means an application for a grant under this section, filed by a person, that is false or excessive and filed with fraudulent intent, as determined by the department.

Vetoed In Part

2. "Reckless application" means an application for a grant under this section, filed by a person, that is improper, due to reckless or intentional disregard of the provisions of this section or of rules of the department, as determined by the department.

(b) 1. A person who files a fraudulent application may not file an application for a grant under this section for 10 successive taxable years, beginning with the taxable year that begins immediately after the taxable year to which the fraudulent application relates.

2. A person who files a reckless application may not file an application for a grant under this section for 2 successive taxable years, beginning with the taxable year that begins immediately after the taxable year to which the reckless application relates.

(c) After the period described under par. (b) during which a person may not file an application for a grant under this section, he or she may file an application for a grant under this section, subject to any requirements that the department may impose on the individual to demonstrate that he or she is eligible for the grant.

Section 1587u. 92.14 (2) (e) of the statutes is amended to read:

92.14 **(2)** (e) Promoting soil and water conservation by persons claiming farmland preservation tax credits under subch. IX of ch. 71 or applying for grants under s. 91.90.

Section 1587v. 92.14 (3) (a) 1. of the statutes is amended to read:

92.14 **(3)** (a) 1. Compliance with soil and water conservation requirements applicable to persons claiming farmland preservation tax credits under subch. IX of ch. 71 or applying for grants under s. 91.90.

Section 1587w. 92.14 (3) (d) of the statutes is amended to read: **Vetoed In Part**

92.14 **(3)** (d) Implementing land and water resource management projects undertaken to comply with soil and water conservation requirements applicable to persons claiming farmland preservation tax credits under subch. IX of ch. 71 or applying for grants under s. 91.90.

Section 9137. Nonstatutory provisions; Revenue.

(2L) Farmland preservation position transfer. **Vetoed In Part**

(a) During the 2013−15 fiscal biennium, the secretary of administration may transfer from the department of revenue to the department of agriculture, trade and consumer protection the number of FTE positions that the secretary determines are sufficient to administer the farmland preservation grant program under section 91.90 of the statutes, as created by this act, and the incumbent employees in those positions, and the moneys associated with those positions.

(b) Employees transferred under paragraph (a) have all the rights and the same status under subchapter V of chapter 111 and chapter 230 of the statutes in the department of agriculture, trade and consumer protection that they enjoyed in the department of revenue immediately before the transfer. Notwithstanding section 230.28 (4) of the statutes, no employee so transferred who has attained permanent status in class is required to serve a probationary period.

(c) Upon making a transfer under paragraph (a), the secretary shall report to the joint committee on finance the number of positions transferred and the affected appropriations for each department.

D−13. Grain Inspection Funding Transfer

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Governor's written objections

Section 9102 (1e)

This provision requires the Department of Agriculture, Trade and Consumer Protection to develop a plan to transfer, by December 31, 2013, an amount sufficient to eliminate the accumulated deficit in the department's grain inspection and certification program as of June 30, 2013. The department is required to submit the plan to the Joint Committee on Finance under a 14−day passive review no later than November 15, 2013.

I am partially vetoing this provision to remove the date by which the department must develop the plan as well as the provision that the Joint Committee on Finance review the plan under 14−day passive review because I object to the inflexibility and timing included in the language. Setting such strict deadlines will not allow the department to evaluate the impact of new inspection fees and the expansion of inspections and their impact on collections, which may result in unnecessary transfers from other account balances. Instead, I am directing the department to submit the plan to the Committee for information only and to make the transfer as soon as practicable based on the projected revenues in the program in fiscal year 2013−14.

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Cited segments of 2013 Assembly Bill 40:

SECTION 9102. Nonstatutory provisions; Agriculture, Trade and Consumer Protection.

(1e) GRAIN INSPECTION FUNDING.

(a) *Plan.* The department of agriculture, trade and consumer protection shall develop a plan to transfer, by December 31, 2013, an amount equal to the amount by which the accumulated expenses for the inspection and certification of grain under section 93.06 (1m) of the statutes have exceeded the accumulated revenues from conducting that inspection and certification as of June 30, 2013, from the unencumbered balances of program revenue appropriations to the department and of the agrichemical management and agricultural chemical cleanup funds to the appropriation account under section 20.115 (1) (h) of the statutes. The department shall submit the plan to the joint committee on finance no later than November 15, 2013.

Vetoed In Part

(b) *Transfer.* If the cochairpersons of the joint committee on finance do not notify the department of agriculture, trade and consumer protection that the committee has scheduled a meeting for the purpose of reviewing the plan submitted under paragraph (a) within 14 working days after the day on which the plan is submitted, the department shall implement the plan. If, within 14 days after the day on which the plan is submitted, the cochairpersons of the committee notify the department that the committee has scheduled a meeting for the purpose of reviewing the plan, the department may only make a transfer to the appropriation account under section 20.115 (1) (h) upon approval by the committee.

Vetoed In Part

Vetoed In Part

Vetoed In Part

D–14. Weights and Measures Program Contracting

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Governor's written objections

Section 1593v

This provision allows for a municipality that is required to establish a weights and measures program to contract with a private weights and measures service provider to enforce the program requirements. A municipality may recover the contract costs by assessing fees on program participants.

While I am supportive of private enterprise and am interested in further examination of this idea, I am vetoing this provision because it lacks sufficient detail about how it would be implemented and what the standards and requirements would be for private entities that would provide this service. Provision of these services must be effective and fair to all parties involved.

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Cited segments of 2013 Assembly Bill 40:

SECTION 1593v. 98.04 (2) of the statutes is amended to read:

98.04 **(2)** A municipality that is required to establish a department of weights and measures under sub. (1) may contract with the department of agriculture, trade, and consumer protection to enforce the provisions of this chapter within the municipality's jurisdiction instead of establishing its own department if the department of agriculture, trade and consumer protection agrees to enter into such a contract. The department of agriculture, trade and consumer protection may charge the municipality fees sufficient to cover the department's costs under the contract. A municipality may recover an amount not to exceed the cost of these fees by assessing fees on the persons who receive services under the weights and measures program. A municipality that is required to establish a department of weights and measures under sub. (1) may contract with a private weights and measures service provider licensed under s. 98.18 to enforce the provisions of this chapter within the municipality's jurisdiction instead of establishing its own department. A municipality may recover an amount not to exceed the cost it incurs under a contract with a private weights and measures service provider by assessing fees

Vetoed In Part

Vetoed In Part

Vetoed In Part

on the persons who receive services under the weights and measures program.

D−15. Tank and Petroleum Testing Plan Review

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Governor's written objections

Section 9138 (3) (b)

This provision relates to the transfer from the Department of Safety and Professional Services to the Department of Agriculture, Trade and Consumer Protection all incumbent employees determined to relate to the storage, use and handling of flammable or combustible liquids or federally regulated hazardous substances. The provision also requires that two of the positions transferred must be employees whose duties include reviewing plans and petitions for variances relating to the storage, handling and use of flammable or combustible liquids or federally regulated hazardous substances.

I am partially vetoing this provision to eliminate the requirement that two of the transferred employees would be responsible for the tank plan review and petition for variance function. I object to this provision because it does not provide the Department of Agriculture, Trade and Consumer Protection the flexibility to staff the program as it determines to be most efficient and effective.

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Cited segments of 2013 Assembly Bill 40:

SECTION 9138. Nonstatutory provisions; Safety and Professional Services.

(3) REGULATION OF DANGEROUS MATERIALS.

(b) *Employee transfer.* All incumbent employees who hold positions in the department of safety and professional services that the secretary of administration determines relate to the storage, use, and handling of flammable or combustible liquids or federally regulated hazardous substances under section 101.09, 2011 stats., are transferred to the department of agriculture, trade and consumer protection on the effective date of this paragraph. The employees who are transferred under this paragraph shall include 2 employees whose duties include reviewing plans and petitions for variances relating to the storage of, handling, and use of flammable or combustible liquids and federally regulated hazardous substances.

Vetoed In Part

D−16. Self−Insurance for Health Care Liability Coverage

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Governor's written objections

Sections 2267f and 2267g

These sections provide a definition of affiliated health care providers for the purpose of permitting controlling legal entities to provide self−insured health care liability coverage to health care providers employed by or affiliated with the controlling legal entity under a single plan.

I am vetoing these sections to remove the definition of affiliated health care providers because this language is overly broad and does not achieve the intent of the motion to limit the use of the definition to health care providers for the purposes of Chapter 655. I am directing the Commissioner of Insurance to provide a definition of affiliated health care providers by administrative rule to better achieve the intent of the motion and eliminate the ambiguity regarding the affiliated health care providers who are affected by this provision.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 2267f. 655.001 (1) of the statutes is renumbered 655.001 (1r).

SECTION 2267g. 655.001 (1g) of the statutes is created to read:

655.001 **(1g)** "Affiliated health care providers" includes health care providers employed by a common health care provider and health care providers affiliated under a controlling legal entity.

Vetoed In Part

D–17. Termination and Dissolution of the Health Insurance Risk Sharing Plan and Authority

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Governor's written objections

Section 9122 (1L) (b) 7. a. and 8. a.

This section requires the Board of Directors of the Health Insurance Risk Sharing Plan Authority to develop a proposal for the dispensation of the plan's cash assets after all financial obligations of the plan and authority are satisfied, and requires the Office of the Commissioner of Insurance to follow the proposal in dispensing of the assets. To the extent feasible and practical, the proposal shall return remaining assets to the sources from which they were derived or, if not feasible and practical, use the remaining assets in support of activities providing an indirect benefit to the insurers, providers and covered persons. Following the transfer of administrative responsibility for the dissolution of the plan, the Commissioner of Insurance shall take any action necessary to wind up the affairs of the plan and shall provide the final financial statements of the plan to the Legislative Audit Bureau.

I am partially vetoing this section because I object to the inflexibility of the requirement that the Office of the Commissioner of Insurance follow the proposal developed by the board for the dispensation of assets. Although I agree with the Legislature's intent to return remaining assets to the sources from which they were derived, the Commissioner of Insurance requires the flexibility to ensure that the plan for the dispensation of the assets is implemented in a manner that it is reasonable and compliant with the office's statutory and fiduciary duties; all applicable legal, administrative and regulatory requirements; and executive branch policy.

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Cited segments of 2013 Assembly Bill 40:

SECTION 9122. Nonstatutory provisions; Insurance.

(1L) DISSOLUTION OF THE HEALTH INSURANCE RISK–SHARING PLAN AND AUTHORITY.

(b) 7.

Vetoed In Part

a. Develop a proposal, which shall be followed by the office, for the dispensation of the plan's cash assets after all financial obligations of the plan and authority are satisfied. To the extent feasible and practical, the proposal shall provide for the return of any remaining equity to the source from which derived, including insurers, providers, and covered persons. The proposal shall provide for alternative dispensations in the event that returning any remaining equity is not feasible or practical, such as using remaining cash assets in support of activities providing an indirect benefit to the insurers, providers, and covered persons.

8.

a. Administrative responsibility for the dissolution of the plan is transferred to the office. The commissioner shall take any action necessary or advisable to wind up the affairs of the plan in accordance with the proposal developed by the board under subdivision 7. a. and shall notify the legislative audit bureau when the windup is completed and provide to the legislative audit bureau the final financial statements of the plan. For purposes of chapter 177 of the statutes, as affected by this act, the dissolution, and winding up of the affairs, of the plan shall be considered a dissolution of an insurer in accordance with section 645.44 of the statutes, except

Vetoed In Part

that a court order of dissolution is not required to effect the dissolution of the plan.

D−18. Tobacco Use Surcharge for State Employee Health Insurance

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Governor's written objections

Sections 715, 731 and 9112 (2)

These sections require the Group Insurance Board to implement a tobacco use surcharge program for state employees and annuitants.

I am vetoing this entire provision because new federal guidance regarding wellness programs and tobacco use surcharges would make the program too onerous to administer and will likely only increase costs without achieving the goal of encouraging tobacco users to quit.

The tobacco use surcharge program was proposed before recent federal guidance was issued that limits how these types of programs can be designed and implemented. For example, in addition to waiving the surcharge for medical reasons, a reasonable alternative to paying the surcharge, such as participation in a tobacco cessation program, must be offered. Individuals do not necessarily have to stop using tobacco.

Given these and other federal restrictions, the state is unable to design the program in a way that will achieve the desired outcome of fewer people using tobacco products and still be cost−effective to administer.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 715. 40.03 (6) (cm) of the statutes is created to read:

40.03 **(6)** (cm) 1. Notwithstanding ss. 111.321, 111.322, and 111.35, beginning in 2014, the group insurance board shall impose a premium surcharge for health care coverage under ss. 40.51 (6) and 40.515 for eligible employees who use tobacco products and may require the retroactive payment of any premium surcharges by an eligible employee who falsely claims that he or she does not use tobacco products, to the extent permitted under federal law.

2. The premium surcharges paid by annuitants who use tobacco products shall be used to reduce future health care coverage premiums for annuitants and to reimburse the department for costs incurred by the department in providing health care coverage to annuitants. Annually, the secretary of administration shall determine the surcharge amounts that are to be used to reimburse the department for costs incurred by the department in providing health care coverage to annuitants and shall transfer that amount to the appropriation account under s. 20.515 (1) (w).

Vetoed In Part

SECTION 731. 40.05 (4) (ah) 5. of the statutes is created to read:

40.05 **(4)** (ah) 5. For purposes of establishing the amount that employees are required to pay for health insurance premiums, the director shall consider the amount of premium surcharges that employees are required to pay under s. 40.03 (6) (cm) 1.

Vetoed In Part

SECTION 9112. Nonstatutory provisions; Employee Trust Funds.

(2) SURCHARGE FOR HEALTH INSURANCE FOR USE OF TOBACCO PRODUCTS. During 2014 and 2015, the group insurance board, under section 40.03 (6) (cm) of the statutes, as created by this act, shall impose a premium surcharge of $50 a month for health care coverage under sections 40.51 (6) and 40.515 of the statutes, as affected by this act, for eligible employees, as defined in section 40.02 (25) of the statutes, who use tobacco products.

Vetoed In Part

D–19. OpenBook for Municipalities

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Governor's written objections

Sections 65b, 65d, 65f and 65h

These sections require counties and any cities, villages and towns with populations larger than 5,000 to disclose expenditures relating to operations, contracts and grants on the Department of Administration's searchable Internet Web site, otherwise known as OpenBook Wisconsin, by September 1, 2016. Additional information related to municipal grants or contracts is also required. OpenBook Wisconsin is the department's system that will make state government operations expenditures available for inspection by the public on the Internet, in a searchable format.

I am vetoing this provision in its entirety because the proposal will create a significant unfunded mandate on local governments and consequently, their taxpayers. I support the goal of transparency in government, however, ensuring that the over 200 municipalities have the technical ability to interface this data with the current OpenBook Wisconsin system will be a huge undertaking and is likely to require significant investments to ensure that the reporting is accurate, complete and consistent across municipalities. Therefore, I encourage the Legislature to develop separate legislation that requires local governments to be more open and transparent about expenditures, but also offsets a portion of the increased costs with funding available from a grant program.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 65b. 16.413 (title) of the statutes is amended to read:

16.413 (title) **Disclosure of expenditures relating to ~~state agency~~ government operations and ~~state agency~~ government contracts and grants.**

SECTION 65d. 16.413 (1) (bm) of the statutes is created to read:

16.413 **(1)** (bm) "Municipality" means a city, village, or town having a population of 5,000 or more or a county.

SECTION 65f. 16.413 (4) of the statutes is created to read:

16.413 **(4)** MUNICIPAL EXPENDITURES FOR OPERATIONS. (a) Beginning on September 1, 2016, the department shall ensure that all municipal expenditures for municipal operations exceeding $100, including salaries and fringe benefits paid to municipal employees, are available for inspection on the searchable Internet Web site under sub. (2) (a). Copies of each financial instrument relating to these expenditures, other than payments relating to municipal employee salaries, shall be available for inspection on the searchable Internet Web site under sub. (2) (a).

(b) The department shall categorize the expenditure information under par. (a) by municipality, expenditure category, expenditure amount, and the person to whom the expenditure is made. If any of the expenditure information may be found on other Web sites, the department shall ensure that the information is accessible through the searchable Internet Web site under sub. (2) (a).

(c) Beginning on September 1, 2016, municipalities shall provide the department with all expenditure information required under par. (a). The department may specify the format in which municipalities provide the expenditure information.

Vetoed In Part

SECTION 65h. 16.413 (5) of the statutes is created to read:

16.413 **(5)** MUNICIPAL CONTRACTS AND GRANTS. (a) Beginning on September 1, 2016, the department shall ensure that all of the following information relating to each grant made by a municipality or contract entered into by a municipality is available for inspection on the searchable Internet Web site under sub. (2) (a):

1. A copy of the contract and grant award.

2. The municipality making the grant or entering into the contract.

3. The name and address of the person receiving the grant or entering into the contract.

4. The purpose of the grant or contract.

5. The amount of the grant or the amount the municipality must expend under the contract and the name of the municipal fund from which the grant is paid or moneys are expended under the contract.

(b) Beginning on September 1, 2016, municipalities shall provide the department with all of the information required under par. (a). The department may specify the format in which municipalities provide the information.

Vetoed In Part The department shall make the information available on the searchable Internet Web site under sub. (2) (a).

D−20. Self−Funded Portal Administrative Rules

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Governor's written objections

Sections 189r and 190

These sections authorize the Department of Administration to enter into and enforce agreements with individuals to provide information technology services, as well as charge individuals for those services. These sections also require the department to promulgate administrative rules for any fees that would be assessed to individuals for information technology services related to the portal.

I am partially vetoing these sections because it is administratively burdensome to promulgate rules for each potential fee, especially as these fees will be voluntary, not mandatory. I will, however, direct the department to identify any new fees established for individuals when posting notices that new electronic government services are available.

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Cited segments of 2013 Assembly Bill 40:

SECTION 189r. 16.974 (2m) of the statutes is created to read:

16.974 **(2m)** Enter into and enforce an agreement with an individual to provide services authorized to be provided by the department to that individual at a cost established pursuant to rules promulgated by the department governing the fee to be charged for such services and specified in the agreement .

Vetoed In Part

SECTION 190. 16.974 (3) of the statutes is amended to read:

16.974 **(3)** Develop or operate and maintain any system or device facilitating Internet or telephone access to information about programs of agencies, authorities, local governmental units, entities in the private sector, individuals, or any tribal schools, as defined in s. 115.001 (15m), or otherwise permitting the transaction of business by agencies, authorities, local governmental units, entities in the private sector, individuals, or tribal schools by means of electronic communication. The department may assess executive branch agencies, other than the board of regents of the University of Wisconsin System, for the costs of systems or devices relating to information technology or telecommunications that are developed, operated, or maintained under this subsection in accordance with a methodology determined by the department. The department may also charge any agency, authority, local governmental unit, entity in the private sector, or tribal school for such costs as a component of any services provided by the department to that agency, authority, local governmental unit, entity, or tribal school. The department may charge an individual for such costs as a component of any services provided by the department to that individual, but only pursuant to rules promulgated by the department governing the fee to be charged for such costs .

Vetoed In Part

D−21. Information Technology Infrastructure Transfers

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Governor's written objections

Sections 188m, 200 [as it relates to s. 20.505 (1) (kk)], 424, 426m and 427

These sections permit the transfer of positions, equipment or systems associated with information technology infrastructure from any executive branch agency to the Department of Administration, if a joint request is submitted to and approved by the Joint Committee on Finance under 14−day passive review. The provision also specifies data that must be included in any request and establishes an appropriation to receive assessments received from agencies for the provision of these infrastructure services.

I am vetoing sections 188m and 426m and partially vetoing sections 200 [as it relates to s. 20.505 (1) (kk)], 424 and 427 because they are unnecessary and will impede the ability of the executive branch to manage state government operations in the most efficient and effective way possible. Consolidation of information technology infrastructure at the Department of Administration will save money and positions in individual agencies and improve services such as disaster recovery, 24/7 support and network security without a negative impact on privacy. The Division of Enterprise Technology already provides services to over 21,000 users and will use this expertise, as well as the ability to leverage economies of scale on hardware and software purchases and enterprisewide licensing. I will direct the department, in consultation with the information technology executive steering committee, to proceed with the information technology infrastructure services consolidation through memoranda of understanding with additional executive branch agencies. The department can include a request to formalize those agreements in the 2015−17 biennial budget.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 188m. 16.972 (3) of the statutes is created to read:

16.972 **(3)** (a) An executive branch agency other than the Board of Regents of the University of Wisconsin System may jointly submit with the department a written request to the joint committee on finance for review under par. (c) related to the transfer of any of the following:

1. Positions in the executive branch agency that are related to the provision of information technology infrastructure services in that executive branch agency.

2. Information technology equipment associated with the provision of information technology infrastructure services in that executive branch agency.

3. Information technology systems associated with the provision of information technology infrastructure services in that executive branch agency.

(b) The department and the executive branch agency other than the Board of Regents of the University of Wisconsin System shall include in the written request under par. (a) the following proposed terms:

1. The proposed salary and fringe benefits costs to be paid for any positions transferred from the executive branch agency to the department. If an incumbent employee holds a position proposed to be transferred under this subdivision, the executive branch agency shall, subject to approval under par. (c), transfer the incumbent employee. The department shall determine the probationary status under s. 230.28 of any transferred employee, except that the employee shall receive credit towards his or her probationary period for the time that the employee had been employed in any unclassified position immediately prior to the transfer.

2. The proposed cost of information technology equipment or systems transferred from the executive branch agency to the department.

3. The proposed cost to the department to provide information technology infrastructure services to the executive branch agency.

4. The manner in which the department and the executive branch agency will address concerns related to the privacy of information transferred to the department.

(c) If the cochairpersons of the joint committee on finance do not notify the department and the executive branch agency that the committee has scheduled a meeting for the purpose of reviewing the request under par. (a) within 14 working days after the date of the written request, the department may approve the proposal upon the proposed terms and assess the executive branch agency for the costs specified in the written request. If, within 14 working days after the date of the written request, the cochairpersons of the committee notify the department and the executive branch agency that the committee has scheduled a meeting for the purpose of reviewing the request, the department shall not approve the proposal relating to positions, information technology equipment, or information technology systems related to the provision of information technology infrastructure services unless the request is approved by the committee and may not assess the executive branch agency for the costs specified in the written request unless the costs are approved by the committee, whether as proposed in the written request or as modified by the committee.

(d) The department shall credit to the appropriation account under s. 20.505 (1) (kk) all moneys received from executive branch agencies pursuant to the written request reviewed by the joint committee on finance under par. (c).

Vetoed In Part

Section 200. 20.005 (3) of the statutes is repealed and recreated to read:

20.505 Administration, Department of

(1) Supervision and management

(kk) Information technology infrastructure services; interagency transfers	PR−S	A	−0−	−0−	**Vetoed In Part**

Section 424. 20.505 (1) (ke) of the statutes is amended to read:

20.505 **(1)** (ke) *Telecommunications services; state agencies; veterans services.* The amounts in the schedule to provide telecommunications services to state agencies and to provide veterans services under s. 16.973 (9). All moneys received from the provision of telecommunications services to state agencies under ss. 16.972 ~~and,~~ 16.973 ~~or under s.~~, and 16.997 (2) (d), other than moneys received and disbursed under ~~s.~~ ss. 20.225 (1) (kb) and 20.505 (1) (ip) and (kk), shall be credited to this appropriation account. **Vetoed In Part**

Section 426m. 20.505 (1) (kk) of the statutes is created to read: **Vetoed In Part**

20.505 **(1)** (kk) *Information technology infrastructure services; interagency transfers.* The amounts in the schedule for the purpose of funding positions, equipment, and systems related to the provision of information technology infrastructure services and transferred from an executive branch agency other than the Board of Regents of the University of Wisconsin System as permitted under s. 16.972 (3). All moneys received from executive branch agencies as required under s. 16.972 (3) (d) shall be credited to this appropriation account. **Vetoed In Part**

Section 427. 20.505 (1) (kL) of the statutes is amended to read:

20.505 **(1)** (kL) *Printing, mail, communication, and information technology services; agencies.* From the sources specified in ss. 16.971, 16.972, 16.973, and 16.974 (3), to provide printing, mail processing, electronic communications, and information technology development, management, and processing services, but not ~~integrated business information~~ enterprise resource planning system services under s. 16.971 (2) (cf) or information technology infrastructure services under s. 16.972 (3), to state agencies, the amounts in the schedule. **Vetoed In Part**

D−22. Prison Industries Procurements

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Governor's written objections

Sections 114b, 114bd and 9301 (1e)

These sections specify that for furniture enumerated in the Department of Corrections' Badger State Industries list, the price must be comparable to, rather than equal to or lower than, the price that may be obtained through a competitive bid or sealed proposal.

I am vetoing this provision because I believe that this change has the potential to provide an unfair advantage to Badger State Industries compared to the private sector. My veto will retain current law and retain the appropriate balance between supporting prison industries and the private sector.

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Cited segments of 2013 Assembly Bill 40:

Section 114b. 16.75 (3t) (c) (intro.) of the statutes is renumbered 16.75 (3t) (c) and amended to read: **Vetoed In Part**

16.75 **(3t)** (c) The department of corrections shall periodically provide to the department of administration a current list of all materials, supplies, equipment, or contractual services, excluding commodities, that are supplied by prison industries, as created under s. 303.01. The department of administration shall distribute the list to all designated purchasing agents under s. 16.71 (1). **Vetoed In Part**

Vetoed In Part

(d) 1. Except as otherwise provided in this subdivision and in sub. (6) (am), prior to seeking bids or competitive sealed proposals with respect to the purchase of any materials, supplies, equipment, or contractual services enumerated in the list provided under par. (c), except for furniture as provided in subd. 2., the department of administration or any other designated purchasing agent under s. 16.71 (1) shall offer prison industries the opportunity to supply the materials, supplies, equipment, or contractual services if the department of corrections is able to provide them at a price that is equal to or lower than one which may be obtained through competitive bidding or competitive sealed proposals and is able to conform to the specifications. If the department of administration or other purchasing agent is unable to determine whether the price of prison industries is equal to or lower than one obtained through competitive bidding or competitive sealed proposals, it may solicit bids or competitive proposals before awarding the order or contract. ~~This paragraph~~

(e) Paragraph (d) 1. does not apply to the printing of the following forms:

Section 114bd. 16.75 (3t) (d) 2. of the statutes is created to read:

Vetoed In Part

16.75 **(3t)** (d) 2. Except as otherwise provided in this subdivision, prior to seeking bids or competitive sealed proposals with respect to the purchase of any furniture enumerated in the list provided under par. (c), the department of administration or any other designated purchasing agent under s. 16.71 (1) shall offer prison industries the opportunity to supply the furniture if the department of corrections is able to provide it at a price that is comparable to one that may be obtained through competitive bidding or competitive sealed proposals and is able to conform to the specifications. If the department of administration or other purchasing agent is unable to determine whether the price of prison industries is comparable to one obtained through competitive bidding or competitive sealed proposals, it may solicit bids or competitive proposals before awarding the order or contract.

Section 9301. Initial applicability; Administration.

Vetoed In Part

(1e) Procurement of furniture through prison industries. The treatment of section 16.75 (3t) (c) (intro.) and (d) 2. of the statutes first applies to bids or proposals solicited on the effective date of this subsection.

D–23. Division of Facilities Development Fee

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Governor's written objections

Section 155m

This section directs the Division of Facilities Development within the Department of Administration to charge a fee to state agencies for the building program that is based on the division's budgeted expenditures rather than 4 percent of each building project budget as it has been done for decades.

I am vetoing this section because the modification to the fee methodology will make it administratively much more difficult for the division to effectively oversee the state's building program. The division needs the flexibility to bill the fee after the design and bidding phases of the project have been completed and the project is set to enter the construction phase. Particularly for larger, more complex building projects, completion of the design and bid phases may not coincide with the biennium in which the project is approved, which makes it difficult to pinpoint an exact bidding and contract date and assign a project to a specific fiscal year. In addition, under the current methodology, agencies have a clear understanding of the size of the fee, as opposed to an allocation that may change as projects are resized or rescheduled.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

Section 155m. 16.88 of the statutes is amended to read:

16.88 Charges against projects. The cost of services furnished pursuant to s. 16.85 (2) to (4), (6) and (7) shall be charged to and paid out of available funds for the respective projects, whenever in the judgment of the secretary the charges are warranted and the cost of the services can be ascertained with reasonable accuracy. The costs assessed under this section during each fiscal

Vetoed In Part

Vetoed In Part

year shall be based upon the amount authorized for that fiscal year under s. 20.505 (1) (kc).

D−24. Study of Public Library System Efficiencies

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Governor's written objections

Section 9101 (3L)

This section requires the Department of Administration, in consultation with the Department of Public Instruction, to conduct a study to identify potential savings in public library systems through consolidation, technology, efficiencies, LEAN practices and service sharing. Under the section, the Department of Administration is required to submit a report on the study to the Joint Committee on Finance by July 1, 2014.

I am vetoing this section because it is unnecessary. The Department of Public Instruction is the appropriate agency to conduct such a study and has the ability to do so, without a legislative directive, if it believes a study is warranted.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 9101. Nonstatutory provisions; Administration.

(3L) STUDY OF PUBLIC LIBRARY SYSTEMS.

(a) The department of administration, in consultation with the department of public instruction, shall conduct a study of public library systems in this state to identify the potential for savings by doing the following:

1. Consolidating systems.

2. Increasing the use of technology.

3. Reducing duplications and inefficiencies.

4. Utilizing lean production principles.

5. Increasing the sharing of services among library systems.

(b) By July 1, 2014, the department of administration shall submit a report of the study under paragraph (a) to the cochairpersons of the joint committee on finance.

Vetoed In Part

D−25. Report Requirement Related to Overweight Permits for Raw Forest Products

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Governor's written objections

Section 2175i

Section 2175i requires the Department of Transportation to submit a report regarding the impact of overweight permits issued for the transport of raw forest products under s. 348.27 (9), including information on the number of permits issued, accidents involving permitted vehicles and the economic impacts of these permitted vehicles.

I am vetoing this section to remove this reporting requirement because it is burdensome to the department and is duplicative of multiple studies that have been conducted on potential changes to the size and weight limits of commercial vehicles in the state.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 2175i. 348.27 (9) (d) of the statutes is created to read:

348.27 **(9)** (d) No later than July 1, 2018, the department shall prepare and submit a report under s. 13.172 (3) to the standing committees of the legislature with jurisdiction over transportation matters on the impact of par. (a) 1. d. and 3. The report shall include data on the number of permits issued, on any accidents

Vetoed In Part

Vetoed In Part

involving permitted vehicles, and on the economic impacts of par. (a) 1. d. and 3.

D–26. Relocation of Outdoor Advertising Signs

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Governor's written objections

Sections 1556m, 1556n, 1556p, 1556q, 1556r, 1556s, 1556t, 9345 (7c) and 9445 (7c)

These provisions replace the term "realignment" with the term "relocation" in the case of nonconforming outdoor advertising signs that are moved in the course of a highway construction project; allow the sign to be moved to another location within the jurisdiction of the city, village or town in which the sign is located; and specify that relocation of a sign does not change the sign's status with respect to local ordinances. Additionally, the provisions require any relocated sign to be the same size and maintain the same height with respect to the highway grade as the original sign. Finally, the provisions specify that a relocated sign must meet all departmental requirements for sign permits.

I am vetoing these provisions because they would result in increased highway project costs related to the relocation of nonconforming outdoor advertising signs and create the potential for significant project delays that result from litigation related to the relocation of these signs.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 1556m. 84.30 (5r) (title) of the statutes is amended to read:

84.30 **(5r)** (title) SIGNS NONCONFORMING UNDER LOCAL ORDINANCES THAT ARE ~~REALIGNED~~ RELOCATED BECAUSE OF STATE HIGHWAY PROJECTS.

SECTION 1556n. 84.30 (5r) (a) of the statutes is renumbered 84.30 (5r) (a) (intro.) and amended to read:

84.30 **(5r)** (a) (intro.) In this subsection~~,~~ ~~"realignment" means relocation on the same site.~~:

SECTION 1556p. 84.30 (5r) (a) 1. of the statutes is created to read:

84.30 **(5r)** (a) 1. "Municipality" means a city, village, or town.

SECTION 1556q. 84.30 (5r) (a) 2. of the statutes is created to read:

84.30 **(5r)** (a) 2. "Relocation" means the dismantling and moving of a sign to a new location within the same municipality or the removal of a sign and erection of a replacement sign, constructed of new materials, at a new location within the same municipality.

SECTION 1556r. 84.30 (5r) (b) of the statutes is amended to read:

84.30 **(5r)** (b) If a highway project of the department causes the ~~realignment~~ relocation of a sign that does not conform to a local ordinance, the ~~realignment~~ relocation shall not affect the sign's nonconforming status under the ordinance.

SECTION 1556s. 84.30 (5r) (c) of the statutes is amended to read:

84.30 **(5r)** (c) If in connection with a highway project of the department the department proposes the ~~realignment~~ relocation or condemnation of a sign that does not conform to a local ordinance, the sign owner may elect to relocate the sign within the same municipality. If the sign owner does not make such an election and the department proposes the relocation of the sign, the department shall notify the governing body of the municipality or county where the sign is located and which adopted the ordinance of the sign's proposed ~~realignment~~ relocation. Upon receiving this notice, the governing body may petition the department to acquire the sign and any real property interest of the sign owner. If the department succeeds in condemning the sign, the governing body that made the petition to the department shall pay to the department an amount equal to the condemnation award, less relocation costs for the sign that would have been paid by the department if the sign had been ~~realigned~~ relocated rather than condemned. Notwithstanding s. 86.30 (2) (a) 1. and (b) 1., 1g., and 1r., if the governing body fails to pay this amount, the department may reduce the municipality's or county's general transportation aid payment under s. 86.30 by an equal amount.

Vetoed In Part

SECTION 1556t. 84.30 (5r) (e) of the statutes is created to read:

84.30 **(5r)** (e) If a highway project of the department causes the relocation of a sign that does not conform to

Vetoed In Part

a local ordinance, all of the following shall apply with respect to relocation of the sign:

1. The size of the sign face, and the number of sign faces on the sign, after relocation shall be the same as prior to relocation.

2. The height of the sign, as measured from road−grade level of the highway from which motorists are intended to view the sign, after relocation shall be equal to or greater than the height above road−grade prior to relocation.

3. The new location for the sign shall meet all requirements for a sign permit under this section, to the extent the department issues permits for signs.

SECTION 9345. Initial applicability; Transportation.

(7c) RELOCATED NONCONFORMING OUTDOOR ADVERTISING SIGNS. The treatment of section 84.30 (5r) (title), (b), (c), and (e) of the statutes, the renumbering and amendment of section 84.30 (5r) (a) of the statutes, and the creation of section 84.30 (5r) (a) 1. and 2. of the statutes first apply to signs relocated on the effective date of this subsection. **Vetoed In Part**

SECTION 9445. Effective dates; Transportation.

(7c) RELOCATED NONCONFORMING OUTDOOR ADVERTISING SIGNS. The treatment of section 84.30 (5r) (title), (b), (c), and (e) of the statutes, the renumbering and amendment of section 84.30 (5r) (a) of the statutes, and the creation of section 84.30 (5r) (a) 1. and 2. of the statutes, and SECTION 9345 (7c) of this act, take effect on the 30th day after the day of publication. **Vetoed In Part**

D−27. Highway Signage—Shrine of Our Lady of Good Help

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Governor's written objections

Section 9145 (9w)

Section 9145 (9w) requires the Department of Transportation to erect and maintain two directional signs for the Shrine of Our Lady of Good Help on the northbound and southbound lanes of STH 57 in Brown County. This section further requires the installation of these signs notwithstanding statutory or administrative rule prohibitions regarding sign placement.

I am vetoing this section because these signs are expressly exempted from sign placement standards. In addition, I object to this provision because its requirements circumvent the established application and administrative process for determining the placement and approval of highway signage, including criteria regarding the entity responsible for the cost of erecting and maintaining the signs.

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Cited segments of 2013 Assembly Bill 40:

SECTION 9145. Nonstatutory provisions; Transportation.

Vetoed In Part

(9w) DIRECTIONAL SIGNS FOR THE SHRINE OF OUR LADY OF GOOD HELP. Notwithstanding section 86.19 (2) of the statutes and any rule promulgated under section 86.19 (2) of the statutes, the department of transportation shall, in the 2013−15 fiscal biennium, erect 2 directional signs along STH 57 in Brown County for the Shrine of Our Lady of Good Help. One sign shall be visible from the northbound lanes of STH 57 and shall be placed near the intersection of STH 57 and CTH "K" and the other sign shall be visible from the southbound lanes of STH 57 and shall be placed near the intersection of STH 57 and CTH "P." **Vetoed In Part**

D−28. Highway Signage—Milwaukee Central Library

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Governor's written objections

Section 1581t

Section 1581t requires the Department of Transportation to erect and maintain signs entitled "Historic Milwaukee Public Library" on both Interstate 43 and Interstate 794 in Milwaukee County. This signage is intended to alert motorists of the

location of the Milwaukee Central Library. The section also prohibits the department from charging any fee related to erecting or maintaining these signs.

I am vetoing this section because it circumvents the established application and administrative process for determining the placement and approval of highway signage, including criteria regarding the entity responsible for the cost of erecting and maintaining these signs.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 1581t. 86.19 (1g) of the statutes is created to read:

86.19 **(1g)** The department shall erect and maintain 3 directional signs, one viewable from the southbound lane of I 43 near the Highland Avenue and 11th Street exit in Milwaukee County, one viewable from the northbound lane of I 43 near the Michigan Street and 10th Street exit in Milwaukee County, and one viewable from the eastbound lane of I 794 near the James Lovell Street and St. Paul Avenue exit in Milwaukee County, for the Milwaukee Central Library. Each sign shall contain the words "Historic Milwaukee Public Library." The department may not charge any fee related to any sign erected and maintained under this subsection.

Vetoed In Part

D–29. Speech Language Pathologist and Audiologist Fees

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Governor's written objections

Sections 2179g, 2179r, 2183d, 2187am, 2187b and 2230m

These sections set speech language pathologist and audiologist credential renewal fees at $75 biennially.

I am vetoing these sections because I object to the practice of singling out certain credential fees in statute. These sections prevent the Department of Safety and Professional Services from setting renewal fees according to the department's administrative and enforcement costs attributable to the regulation of these occupations, as is current practice. Moreover, credentialing fees will be examined as part of the study of the department and the Department of Agriculture, Trade and Consumer Protection identified in section 9101 (3s) of the bill and any adjustments to fees should be evaluated as part of that study.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 2179g. 440.03 (9) (a) (intro.) of the statutes is amended to read:

440.03 **(9)** (a) (intro.) Subject to pars. (b) and (c), the department shall, biennially, determine each fee for an initial credential for which no examination is required, for a reciprocal credential, and, except as provided in par. (e), for a credential renewal by doing all of the following:

SECTION 2179r. 440.03 (9) (e) of the statutes is created to read:

440.03 **(9)** (e) The renewal fee for licenses granted under subch. II of ch. 459 is specified in s. 459.24 (5) (a).

Vetoed In Part

SECTION 2183d. 440.05 (2) (a) of the statutes is amended to read:

440.05 **(2)** (a) Reciprocal credential, including any credential described in s. 440.01 (2) (d) and any credential that permits temporary practice in this state in whole or in part because the person holds a credential in another jurisdiction: Except as provided in par. (b), the applicable credential renewal fee determined by the department under s. 440.03 (9) (a) or, for licenses granted under subch. II of ch. 459, the renewal fee specified in s. 459.24 (5) (a), and, if an examination is required, an examination fee under sub. (1).

Vetoed In Part

SECTION 2187am. 440.08 (2) (c) of the statutes is amended to read:

440.08 **(2)** (c) Except as provided in sub. (3), renewal applications shall include the applicable renewal fee as determined by the department under s. 440.03 (9) (a) or as specified in par. (b) or, for licenses granted under subch. II of ch. 459, the renewal fee specified in s. 459.24 (5) (a).

SECTION 2187b. 440.08 (3) (a) of the statutes is amended to read:

Vetoed In Part

440.08 **(3)** (a) Except as provided in rules promulgated under par. (b), if the department does not receive an application to renew a credential before its renewal date, the holder of the credential may restore the credential by payment of the applicable renewal fee determined by the department under s. 440.03 (9) (a) or, for licenses granted under subch. II of ch. 459, the renewal fee specified in s. 459.24 (5) (a), and by payment of a late renewal fee of $25.

Vetoed In Part

SECTION 2230m. 459.24 (5) (a) of the statutes is amended to read:

459.24 **(5)** (a) ~~The~~ A renewal fee ~~determined by the department under s. 440.03 (9) (a)~~ of $75.

D−30. Transfer Special Counsel Appropriation

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Governor's written objections

Section 379m

This section transfers the GPR special counsel appropriation from the Department of Justice to the Department of Administration. This section also converts the GPR special counsel appropriation from a sum sufficient appropriation to a biennial appropriation.

I am partially vetoing this section because I object to the conversion of the sum sufficient appropriation to a biennial appropriation. I am concerned that the conversion of the appropriation from a sum sufficient to a biennial appropriation will provide insufficient flexibility to fund program costs.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 379m. 20.455 (1) (b) of the statutes is renumbered 20.505 (1) (d) and amended to read:

Vetoed In Part

20.505 **(1)** (d) *Special counsel.* ~~A sum sufficient~~ Biennially, the amounts in the schedule, subject to the procedures established in ss. 5.05 (2m) (c) and 14.11 (2) (c), for the compensation of special counsel appointed as provided in ss. 5.05 (2m) (c), 14.11 (2), and 321.42.

Vetoed In Part

D−31. Wisconsin Center for Investigative Journalism

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Governor's written objections

Section 585m

This section prohibits the Board of Regents from allowing the Wisconsin Center for Investigative Journalism to occupy facilities owned or leased by the board. It also prohibits University of Wisconsin System and University of Wisconsin−Madison employees from performing work related to the center as part of their duties.

I am vetoing this section because it targets a single organization. The use of taxpayer−supported facilities by private or quasi−public organizations, as well as use of staff time in support of these organizations, is an issue of concern. Therefore, I am directing the Board of Regents to develop a systemwide policy related to the use of University of Wisconsin facilities and staff time by outside organizations.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 585m. 36.11 (58) of the statutes is created to read:

36.11 **(58)** WISCONSIN CENTER FOR INVESTIGATIVE JOURNALISM. The board may not allow the Wisconsin Center for Investigative Journalism to occupy any facilities owned or leased by the board. No employee of the system may perform any work related to the Wisconsin Center for Investigative Journalism as part of his or her duties as an employee.

Vetoed In Part

D–32. Sale of Department of Natural Resources Land

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Governor's written objections

Section 509z

This provision requires the Department of Natural Resources, no later than June 30, 2017, to offer for sale at least 10,000 acres of department property located outside the Stewardship property boundaries established as of May 1, 2013, and to sell at least 250 acres of productive agricultural land annually through fiscal year 2019–20 and specify that the land must remain in use as productive farmland in perpetuity.

Proceeds from the sale of the land must be used to repay any outstanding public debt (including debt issued under the Stewardship Program) and pay the federal government any of the proceeds as required by federal law. Any sale of land received through gifts and grants must adhere to any restrictions governing the use of the proceeds.

I am partially vetoing this provision to eliminate the specific reference to the sale of productive agricultural land. I object to the requirement to sell a specified amount of productive agricultural land annually as it may put a burden on the department to sell land at a below–market price. Instead, I am directing the department to offer for sale productive agricultural land as part of the provision to offer for sale the acres outside of the Stewardship property boundaries.

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Cited segments of 2013 Assembly Bill 40:

SECTION 509z. 23.145 of the statutes is created to read:

Vetoed In Part

23.145 Certain land sales required. (1) The natural resources board shall do all of the following:

Vetoed In Part

(a) On or before June 30, 2017, offer for sale at least 10,000 acres of land owned by the state, under the jurisdiction of the department, and outside of project boundaries that were established by the department on or before May 1, 2013.

(b) Sell at least 250 acres of productive agricultural land each fiscal year beginning with fiscal year 2013–14 and ending with fiscal year 2019–20. The department shall require as a condition of any sale under this paragraph that the land sold must remain in use as productive agricultural land in perpetuity.

Vetoed In Part

D–33. Report on Deletion of Positions in the Department of Natural Resources

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Governor's written objections

Section 9101 (3u)

This provision requires the Department of Administration to provide a report by January 1, 2014, to the Joint Committee on Finance for the Committee's review and approval under a 14–day passive review identifying 32.1 FTE positions in the Department of Natural Resources to be deleted, which includes 7.8 FTE GPR positions, 9.1 FTE FED positions, 4.0 FTE PR positions and 11.2 FTE SEG positions.

I am partially vetoing the provision to remove the deadline and the Committee's 14−day passive review process because it is inconsistent with a similar provision in the bill and creates unnecessary workload. Under the bill, the Department of Administration is also required to report to the Joint Committee on Finance on the identification of 450 FTE positions to be eliminated from state agencies no later than January 1, 2015. I am directing the Department of Administration to include the separately−identified Department of Natural Resources positions in the report on the 450 FTE positions.

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Cited segments of 2013 Assembly Bill 40:

SECTION 9101. Nonstatutory provisions; Administration.

Vetoed In Part (3u) POSITION ELIMINATION REPORT. (a) Not later than January 1, 2014, the department of administration shall submit a report to the cochairpersons of the joint committee on finance that identifies the funding source for, and recommends the appropriation to be decreased with regard to, each of the following FTE positions to be eliminated in the department of natural resources:

Vetoed In Part (b) If the cochairpersons of the joint committee on finance do not notify the department of administration that the committee has scheduled a meeting for the purpose of reviewing the report under paragraph (a) within 14 working days after the day on which the report is submitted, the positions shall be eliminated and the appropriations shall be decreased in the manner specified in the report. If, within 14 working days after the day on which the report is submitted, the cochairpersons of the committee notify the department of administration that the committee has scheduled a meeting for the purpose of reviewing the report, no position identified in the report may be eliminated and no appropriation may be decreased with regard to that position without the approval of the committee.

D−34. Unclassified Position Authority

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Governor's written objections

Sections 2002, 2006m, 2182m and 9138 (8c)

These sections reduce the number of unclassified division administrators authorized for the Department of Safety and Professional Services and repeal the department's authority for unclassified bureau directors.

I am vetoing these sections because I object to reducing the current number of unclassified positions in the department at this time. Staffing levels will be examined as part of the study of the department and the Department of Agriculture, Trade and Consumer Protection identified in section 9101 (3s) of the bill, and changes to unclassified position authority should be delayed until that study is completed. While the veto will permit the department to have up to eight unclassified division administrators and up to five unclassified bureau directors, I am directing the department to maintain current staffing levels and to remain within its current position authorization level.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part **SECTION 2002.** 230.08 (2) (e) 11m. of the statutes is amended to read:

230.08 **(2)** (e) 11m. Safety and professional services — ~~8~~ 7.

Vetoed In Part **SECTION 2006m.** 230.08 (2) (v) of the statutes is repealed.

Vetoed In Part **SECTION 2182m.** 440.04 (6) of the statutes is amended to read:

440.04 **(6)** Appoint outside the classified service an administrator for any division established in the department ~~and a director for any bureau established in the department~~ as authorized in s. 230.08 (2)~~. The secretary may assign any bureau director appointed in accordance with this subsection to serve concurrently as a bureau director and a division administrator~~ (e) 11m.

SECTION 9138. Nonstatutory provisions; Safety and Professional Services.

Vetoed In Part (8c) APPOINTMENT OF CERTAIN INDIVIDUALS TO POSITIONS IN CLASSIFIED SERVICE OF STATE CIVIL SERVICE SYSTEM. Notwithstanding section 230.15 (1) of the statutes, on the effective date of this subsection, 3 incumbent employees holding unclassified positions specified in section 230.08 (2) (v), 2011 stats., and one of the unclassified division administrator positions specified in section 230.08 (2) (e) 11m., 2011 stats., shall be appointed to comparable positions in the classified

Vetoed In Part

service in the department of safety and professional services, as determined by the secretary of safety and professional services. The administrator of the division of merit recruitment and selection in the office of state employment relations shall waive the requirement for competitive examination under section 230.15 (1) of the statutes with respect to the classified positions and shall certify the incumbent employees for appointment to the classified positions. The administrator shall determine the employee's probationary status under section 230.28 of the statutes, except that the employee shall receive credit toward his or her probationary period for the time that the employee had been employed in any unclassified position immediately prior to appointment.

Vetoed In Part

E. INVESTING IN INFRASTRUCTURE

E–35. Building Program Issued Bonds

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Governor's written objections

Section 9104 (11i)

This section specifies that $250,000,000 in general obligation bonding shall not be issued for enumerations in the 2007–09 and 2013–15 state building programs.

I am partially vetoing this section because I object to the language in the bill. However, I support the goal of reducing general obligation bond issuance in the 2013–15 biennium for the state building program. Therefore, I direct the Department of Administration secretary to reduce $250,000,000 in general obligation bonds issued in the 2013–15 biennium for the newly enumerated projects in this act. With this partial veto, I remain committed to reducing the issuance of $250,000,000 in general obligation bonds while providing flexibility for implementation.

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Cited segments of 2013 Assembly Bill 40:

SECTION 9104. Nonstatutory provisions; Building Commission.

Vetoed In Part

(11i) REDUCTION IN GENERAL OBLIGATION BONDING AUTHORITY IN THE 2007–09 AND 2013–15 AUTHORIZED STATE BUILDING PROGRAMS. Notwithstanding the projects and financing authority enumerated in subsection (1) and in 2007 Wisconsin Act 20, section 9105 (1) (a) 2., as affected by this act, the building commission shall not issue $250,000,000 in general obligation bonding enumerated for the 2007–09 and 2013–15 fiscal biennia. To implement this reduction, the building commission may reduce funding for any project, modify the scope of any project, or eliminate any project altogether, except that the reduction for the 2007–09 fiscal biennium may be made only from the increased financing authority for the state transportation building project enumerated in 2007 Wisconsin Act 20, section 9105 (1) (a) 2., as affected by this act.

Vetoed In Part

E–36. Bonding Refunding Authority

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Governor's written objections

Section 489 [as it relates to restrictions on refunding transactions]

This section includes a restriction specifying that refunding bond transactions may only occur where the annual principal payment on the refunding bonds does not exceed the annual principal payments on the current bonds.

I am partially vetoing this section to remove this restriction because it prevents refunding transactions from occurring in market environments where principal payments may be higher while still providing debt service savings. Current mar-

ket conditions provide premium purchase pricings for bonds, which provide debt service savings from reduced principal payments. In future markets, refunding transactions may have annual debt service savings resulting from reduced interest payments; in this environment, the annual principal payment costs of the refunding bonds may be equal to or greater than the annual principal payment costs of the refunded bonds. With this veto, I am ensuring that refunding transactions and debt service savings can be realized in different market conditions.

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Cited segments of 2013 Assembly Bill 40:

SECTION 489. 20.866 (2) (xm) of the statutes is amended to read:

20.866 **(2)** (xm) *Building commission; refunding tax−supported and self−amortizing general obligation debt.* From the capital improvement fund, a sum sufficient to refund the whole or any part of any unpaid indebtedness used to finance tax−supported or self−amortizing facilities. In addition to the amount that may be contracted under par. (xe), the state may contract public debt in an amount not to exceed ~~$1,775,000,000~~ $3,785,000,000 for this purpose. Such indebtedness shall be construed to include any premium and interest payable with respect thereto. Debt incurred by this paragraph shall be repaid under the appropriations providing for the retirement of public debt incurred for tax−supported and self−amortizing facilities in proportional amounts to the purposes for which the debt was refinanced. No moneys may be expended under this paragraph unless the true interest costs to the state can be reduced by the expenditure and the annual principal payment costs on any public debt that is contracted under this paragraph does not exceed the annual principal payment costs on any public debt that is refinanced under this paragraph in any year . **Vetoed In Part**

E−37. State−Owned Real Property Sales

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Governor's written objections

Sections 14 and 132

These sections modify the authority of the Department of Administration and the Building Commission regarding the sale or lease of state−owned real property, so as to allow the sale of additional state properties if it is in the best interest of the State to do so and to make statutory language regarding sale procedures and the treatment of net proceeds consistent across both sections.

Because I believe that state assets should only be sold when it is in the best interest of the State to do so, I am maintaining both the Building Commission's and the Joint Committee on Finance's oversight of state−owned real property sales or leases. I am partially vetoing provisions relating to the use of remaining net sale or lease proceeds, after all other conditions have been met, because I object to limiting the flexibility of the Building Commission and Department of Administration in determining which public debt to retire. The effect of this veto is to allow the Building Commission or the Department of Administration secretary the authority to use the net remaining proceeds toward retirement of debt, wherever it is in the best interest of the State to do so.

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Cited segments of 2013 Assembly Bill 40:

SECTION 14. 13.48 (14) (c) of the statutes is renumbered 13.48 (14) (c) (intro.) and amended to read:

13.48 **(14)** (c) (intro.) ~~If~~ Except as provided in par. (e), if there is any outstanding public debt used to finance the acquisition ~~of a building, structure or land or the~~, construction, or improvement of ~~a building or structure~~ any property that is sold or leased under par. ~~(b)~~ (am), the building commission shall deposit a sufficient amount of the net proceeds from the sale or lease of the ~~building, structure or land~~ property in the bond security and redemption fund under s. 18.09 to repay the principal and pay the interest on the debt, and any premium due upon refunding any of that debt. ~~Except as provided in s. 51.06 (6), if~~ If there is any outstanding public debt used to finance the acquisition, construction, or improvement of any property that is sold or leased under par. (am), the building commission shall then provide a sufficient amount of the net proceeds from the sale or lease of the property for the costs of maintaining federal tax law compliance applicable to the debt. If the property was

acquired, constructed, or improved with federal financial assistance, the commission shall pay to the federal government any of the proceeds required by federal law. If the property was acquired by gift or grant or with gift or grant funds, the commission shall adhere to any restriction governing use of the proceeds. Except as required under par. (e) and ss. 20.395 (9) (qd) and 51.06 (6), if there is no such debt outstanding, ~~or,~~ there are no moneys payable to the federal government, and there is no restriction governing use of the proceeds, and if the net proceeds exceed the amount required to ~~repay that principal and pay that interest and premium~~ be deposited, paid, or used for another purpose under this subsection, the building commission shall ~~deposit~~ first use the net proceeds or remaining net proceeds ~~in the budget stabilization fund.~~ to pay principal and interest costs on outstanding public debt supported by the same funding source and issued under the same bonding purpose authorization that was used to finance the acquisition, construction, or improvement of the property that is sold or leased under par. (am) . If any net proceeds remain thereafter, the commission shall use the proceeds to pay principal and interest costs on other outstanding public debt. For the purpose of paying principal and interest costs on other outstanding public debt under this paragraph, the commission may cause outstanding bonds to be called for redemption on or following their optional redemption date, establish one or more escrow accounts to redeem bonds at their optional redemption date, or purchase bonds in the open market. To the extent practical, the commission shall consider all of the following in determining which public debt to redeem:

Vetoed In Part

Vetoed In Part

Vetoed In Part

SECTION 132. 16.848 (4) (a) of the statutes is amended to read:

16.848 **(4)** (a) Except as provided in s. 13.48 (14) (e), if there is any outstanding public debt used to finance the acquisition, construction, or improvement of any property that is sold or leased under sub. (1), the department shall deposit a sufficient amount of the net proceeds from the sale or lease of the property in the bond security and redemption fund under s. 18.09 to repay the principal and pay the interest on the debt, and any premium due upon refunding any of the debt. If there is any outstanding public debt used to finance the acquisition, construction, or improvement of any property that is sold or leased under sub. (1), the department shall then provide a sufficient amount of the net proceeds from the sale or lease of the property for the costs of maintaining federal tax law compliance applicable to the debt. If the property was acquired, constructed, or improved with federal financial assistance, the department shall pay to the federal government any of the net proceeds required by federal law. If the property was acquired by gift or grant or acquired with gift or grant funds, the department shall adhere to any restriction governing use of the proceeds. Except as required under ss. 13.48 (14) (e), 20.395 (9) (qd), and 51.06 (6), if there is no such debt outstanding, there are no moneys payable to the federal government, and there is no restriction governing use of the proceeds, and if the net proceeds exceed the amount required to be deposited, paid, or used for another purpose under this ~~paragraph~~ subsection, the department shall first use the net proceeds or remaining net proceeds to pay principal and interest costs on outstanding public debt supported by the same funding source and issued under the same bonding purpose authorization that was used to finance the acquisition, construction, or improvement of the property that is sold or leased under sub. (1) . If any net proceeds remain thereafter, the department shall use the proceeds to pay principal and interest costs on other outstanding public debt.

Vetoed In Part

Vetoed In Part

Vetoed In Part

E−38. Disaster Damage Aids Passive Review Requirement

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Governor's written objections

Section 1587 [as it relates to the Joint Committee on Finance in s. 86.34 (6) (a) and (b)]

Section 1587 [as it relates to the Joint Committee on Finance in s. 86.34 (6) (a) and (b)] requires the Department of Transportation to submit expenditures of greater than $1,000,000 from the department's disaster damage aids, state funds appropriation under s. 20.395 (1) (fs), resulting from a single disaster, to the Joint Committee on Finance for 14−day passive review and approval.

I am partially vetoing this section to remove the Joint Committee on Finance's 14−day passive review requirement for expenditures of more than $1,000,000 related to a single disaster. I am vetoing this provision because disaster damage aids should not be subject to passive review, as disaster response is needed rapidly. Subjecting these expenditures to passive review may unnecessarily delay the release of funding to repair disaster−related damages.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 1587. 86.34 (6) of the statutes is created to read:

86.34 **(6)** (a) The department may not pay aid under this section in excess of $1,000,000, in connection with disaster damage resulting from a single disaster, unless the payment of aid is approved by the governor and approved as provided in par. (b) .

(b) If the department proposes to pay aid under this section in excess of $1,000,000, in connection with disaster damage resulting from a single disaster, the department shall notify the joint committee on finance in writing of the proposed payment. If the cochairpersons of the committee do not notify the department that the committee has scheduled a meeting for the purpose of reviewing the proposed payment within 14 working days after the date of the department's notification, the department may consider the proposed payment approved for purposes of par. (a). If, within 14 working days after the date of the department's notification, the cochairpersons of the committee notify the department that the committee has scheduled a meeting for the purpose of reviewing the proposed payment, the proposed payment is not approved for purposes of par. (a) unless it is expressly approved by the committee.

E−39. Environmental Impact Statement—East Arterial Highway

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Governor's written objections

Section 1534g

Section 1534g requires the Department of Transportation to conduct an environmental impact statement in the 2013−15 fiscal biennium for a proposed major east arterial highway that begins at the intersection of STH 54 and STH 73 in the village of Port Edwards and extends to the intersection of STH 54 and CTH W in the city of Wisconsin Rapids with funding from the department's major highway development program. This section requires the department to conduct the environmental impact statement notwithstanding the current law requirement that the Transportation Projects Commission recommend the preparation of an environmental impact statement or environmental assessment for a proposed major highway development project before the department undertakes such an action.

I am vetoing this section because the effort and funding that would be expended to complete the environmental impact statement are premature. The conditions which will be evaluated by the environmental impact statement required by this provision may change sufficiently, prior to the enumeration of the project, that a new environmental impact statement may be needed before the project proceeds. This may lead to redundant department expenditures.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 1534g. 84.013 (3m) (j) of the statutes is created to read:

84.013 **(3m)** (j) Notwithstanding s. 13.489 (1m) (e), the department shall, in the 2013−15 fiscal biennium, commence the preparation of an environmental impact statement, as defined in s. 13.489 (1c) (b), for a major highway project involving a proposed east arterial highway that begins at the intersection of STH 54 and STH 73 in the village of Port Edwards and extends to the intersection of STH 54 and CTH "W" in the city of

Vetoed In Part Wisconsin Rapids and that includes a new crossing of the Wisconsin River.

E–40. Strategic Blight Elimination Grants

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Governor's written objections

Sections 200 [as it relates to s. 20.490 (1) (k)], 204b, 413m, 2055b, 9214 and 9226 (1L)

These provisions provide for the transfer of funds from the Department of Financial Institutions and Department of Justice for grants issued by the Wisconsin Housing and Economic Development Authority (WHEDA) for the elimination of blighted, abandoned properties.

I am vetoing these provisions in their entirety because I object to the Legislature directing how the Attorney General uses discretionary settlement funds and how the Department of Financial Institutions should use funds from its gifts and grants appropriation. Both departments have already contributed towards WHEDA's statewide blight mitigation program that was begun in 2012 and based on the success of the program, have discussed continuation of the program beyond July 2013. I encourage the departments to continue to participate in the next round of grants to the greatest extent possible given competing priorities for these funds.

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Cited segments of 2013 Assembly Bill 40:

SECTION 200. 20.005 (3) of the statutes is repealed and recreated to read:

20.490 Wisconsin Housing and Economic Development Authority

(1) FACILITATION OF CONSTRUCTION

(k) Blight elimination	PR–S	C	3,500,000	–0–	**Vetoed In Part**

Vetoed In Part **SECTION 204b.** 20.144 (1) (h) of the statutes is amended to read:

20.144 **(1)** (h) *Gifts, grants, settlements and publications.* All moneys received from gifts, grants, bequests, forfeitures under s. 426.203, and settlements for the purposes for which made or received and for the transfer under 2013 Wisconsin Act .... (this act), section 9214 (1L), and all moneys received by the department as fees or other charges for photocopying, microfilm copying, generation of copies of documents from optical disk storage, sales of books and other services provided in carrying out the functions of the department, for the purposes for which the moneys were received or collected.

Vetoed In Part **SECTION 413m.** 20.490 (1) (k) of the statutes is created to read:

20.490 **(1)** (k) *Blight elimination.* As a continuing appropriation, all moneys transferred under 2013 Wisconsin Act .... (this act), sections 9214 (1L) and 9226 (1L), to provide the grants under s. 234.47.

Vetoed In Part **SECTION 2055b.** 234.47 of the statutes is created to read:

234.47 Blight elimination grants. From the appropriation under s. 20.490 (1) (k), the authority shall make grants for the elimination of blighted and abandoned properties in this state.

Vetoed In Part **SECTION 9214. Fiscal changes; Financial Institutions.**

(1L) TRANSFER TO THE WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY. There is transferred from the appropriation account under section 20.144 (1) (h) of the statutes, as affected by this act, to the appropriation account under section 20.490 (1) (k) of the statutes, as created by this act, $1,000,000 in fiscal year 2013–14.

SECTION 9226. Fiscal changes; Justice.

Vetoed In Part (1L) TRANSFER TO THE WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY. From settlement moneys that may be distributed at the discretion of the attorney general, the attorney general shall utilize his discretion to transfer to the appropriation account under

Vetoed In Part section 20.490 (1) (k) of the statutes, as created by this act, $2,500,000 in fiscal year 2013−14.

F. IMPROVING MENTAL HEALTH PROGRAMS

F−41. Family Care Enrollees Admitted to Mental Health Institutes

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Governor's written objections

Sections 200 [as it relates to s. 20.865 (4) (a)], 347j, 347k, 831f, 831p, 9118 (5e) and 9418 (10e)

This provision appropriates $500,000 GPR in one−time funding during the 2013−15 biennium in the Joint Committee on Finance supplemental appropriation under s. 20.865 (4) (a) to fund a portion of the costs that counties will incur for county residents who were enrolled in the Family Care program who receive inpatient services from a state mental health institute prior to July 1, 2015. The provision requires the Department of Health Services to report to the Joint Committee on Finance by September 1, 2013, on issues related to county cost liability for residents formerly enrolled in Family Care who are admitted to the state mental health institutes; request the release of the funds following the submission of the report; reimburse counties for qualifying costs using a specified schedule; and notify responsible counties of new admissions within 48 hours. Further, the provision requires managed care organizations to maintain records of enrollee emergency contacts, require managed care organizations and counties to create emergency plans for Family Care enrollees deemed at risk of admission to a mental health institute, and specify the members of a placement team that must be created for each Family Care member admitted into a state mental health institute.

I am vetoing sections 347j, 347k, 831f, 831p, 9118 (5e) and 9418 (10e) and writing down section 200 [as it relates to s. 20.865 (4) (a)] because I object to the establishment of a short−term stop−gap program to address the ongoing, complex issues that hamper the placement of individuals with long−term care and mental health treatment needs in the most appropriate setting. Instead, I am directing the Department of Health Services to analyze the factors that contribute to impediments in providing appropriate, patient−centered and coordinated treatment for individuals with co−occurring mental health, behavioral health and long−term care needs, including an insufficient number of placement options, and to recommend options for addressing these factors, including the role of the department's mental health institutes and centers for the developmentally disabled. Further, I am directing the department to review and recommend organizational changes to improve the development and implementation of policies to better address the needs of individuals with mental and behavioral health needs in the state's long−term care delivery systems. By lining out the appropriation under s. 20.865 (4) (a) and writing in a smaller amount that deletes $500,000 in fiscal year 2013−14, I am vetoing the portion of the bill that funds this provision. Finally, I am requesting the Department of Administration secretary not to allot these funds.

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Cited segments of 2013 Assembly Bill 40:

SECTION 200. 20.005 (3) of the statutes is repealed and recreated to read:

20.865 Program Supplements

(4) JOINT COMMITTEE ON FINANCE SUPPLEMENTAL APPROPRIATIONS

(a) General purpose revenue funds						
general program supplementation	GPR	B	42,416,500 41,916,500	56,695,800		**Vetoed In Part**

Vetoed In Part

SECTION 347j. 20.435 (2) (bj) of the statutes is amended to read:

20.435 **(2)** (bj) *Competency examinations and treatment, and conditional release, supervised release, and community supervision services.* Biennially, the amounts in the schedule for outpatient competency examinations and treatment services; for reimbursements to counties for costs under 2013 Wisconsin Act .... (this act), section 9118 (5e); and for payment by the department of costs for treatment and services for persons released under s. 980.06 (2) (c), 1997 stats., s. 980.08 (5), 2003 stats., or s. 971.17 (3) (d) or (4) (e) or 980.08 (4) (g) or for persons who are inmates of the department of corrections who are released on community supervision, for which the department has contracted with county departments under s. 51.42 (3) (aw) 1. d., with other public agencies, or with private agencies to provide the treatment and services.

SECTION 347k. 20.435 (2) (bj) of the statutes, as affected by 2013 Wisconsin Act .... (this act), is amended to read:

20.435 **(2)** (bj) *Competency examinations and treatment, and conditional release, supervised release, and community supervision services.* Biennially, the amounts in the schedule for outpatient competency examinations and treatment services; ~~for reimbursements to counties for costs under 2013 Wisconsin Act .... (this act), section 9118 (5e);~~ and for payment by the department of costs for treatment and services for persons released under s. 980.06 (2) (c), 1997 stats., s. 980.08 (5), 2003 stats., or s. 971.17 (3) (d) or (4) (e) or 980.08 (4) (g) or for persons who are inmates of the department of corrections who are released on community supervision, for which the department has contracted with county departments under s. 51.42 (3) (aw) 1. d., with other public agencies, or with private agencies to provide the treatment and services.

Vetoed In Part

SECTION 831f. 46.281 (1n) (g) and (h) of the statutes are created to read:

46.281 **(1n)** (g) Notify, within 48 hours of the admission of an enrollee, a county that has financial responsibility for an enrollee who has been admitted to a mental health institute, as defined in s. 51.01 (12).

(h) Establish criteria to determine, and determine, whether an enrollee is at substantial risk for being admitted to a mental health institute, as defined in s. 51.01 (12).

SECTION 831p. 46.284 (8) of the statutes is created to read:

46.284 **(8)** ADMISSIONS TO MENTAL HEALTH INSTITUTES. (a) In this subsection, "mental health institute" has the meaning given in s. 51.01 (12).

(b) Every care management organization shall maintain for each enrollee a record of individuals who can be contacted in case of an emergency involving that enrollee.

(c) Subject to par. (d), every care management organization and each county in which the care management organization operates shall create an emergency plan for every enrollee who the department determines is at substantial risk of being admitted to a mental health institute. The care management organization and county shall include in the emergency plan an emergency contact in case the enrollee is admitted and a potential placement for when the enrollee is discharged from the mental health institute.

Vetoed In Part

(d) If an enrollee is admitted to a mental health institute, the financially responsible county; the county that approved the admission to the mental health institute, if different; and the care management organization in which the enrollee was enrolled shall create a team that includes all of the following to coordinate a new placement for the enrollee:

1. The enrollee's guardian or emergency contact.

2. A social worker from each county involved.

3. A social worker from the care management organization.

4. A psychiatrist or psychologist.

5. An individual representing a law enforcement agency.

SECTION 9118. Nonstatutory provisions; Health Services.

Vetoed In Part

(5e) FUNDING OF FAMILY CARE ENROLLEES ADMITTED TO MENTAL HEALTH INSTITUTES.

(a) In this subsection:

1. "Department" means the department of health services.

2. "Family Care program" means the benefit program under section 46.286 of the statutes.

3. "Mental health institute" has the meaning given in section 51.01 (12) of the statutes.

(b) Before September 1, 2013, the department shall submit to the joint committee on finance a report that identifies issues relating to cost liability for counties with residents who were formerly enrolled in the Family Care program and who are admitted to a mental health institute.

(c) After submitting the report under paragraph (b) and during the 2013–15 fiscal biennium, the department shall submit one or more requests to the joint committee on finance under section 13.10 of the statutes to supplement the appropriation under section 20.435 (2) (bj) of the statutes from the appropriation under section 20.865 (4) (a) of the statutes for the purpose of paying a portion of the additional costs counties incur to support services provided by the mental health institutes to certain enrollees in the Family Care program. If the joint committee on finance releases the moneys, the department may reimburse the county for all of the following for a stay of an enrollee of the Family Care program at a mental health institute subject to paragraph (d):

Vetoed In Part

1. For any portion of a stay longer than 30 days but not longer than 60 days at a mental health institute, 50 percent of the state share of the cost of care incurred by the county for that portion of the stay.

2. For any portion of a stay longer than 60 days but not longer than 90 days, 75 percent of the state share of the cost of care incurred by the county for that portion of the stay.

3. For any portion of a stay longer than 90 days, all of the state share of the cost of care incurred by the county for that portion of the stay.

(d) The department may provide reimbursement to counties for Family Care program enrollees admitted to mental health institutes on or after the effective date of this paragraph and, if the Family Care program enrollee is still at the mental health institute on the effective date of this paragraph, before the effective date of this paragraph. For a Family Care program enrollee admitted to a mental health institute before the effective date of this paragraph, the department shall base the reimbursement on the Family Care program enrollee's total length of stay since admission to the mental health institute using the calculations under paragraph (c) 1. to 3.

Vetoed In Part

(e) The financial liability of the state to pay reimbursements for services at a mental health institute for Family Care program enrollees under this subsection is limited to services provided at a mental health institute before July 1, 2015.

SECTION 9418. Effective dates; Health Services.

Vetoed In Part

(10e) COSTS IN MENTAL HEALTH INSTITUTES FOR FAMILY CARE ENROLLEES. The treatment of section 20.435 (2) (bj) (by SECTION 347k) of the statutes takes effect on July 1, 2015.

G. HELPING VICTIMS OF DOMESTIC VIOLENCE

G−42. Global Positioning System Tracking Grant Program

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Governor's written objections

Section 1942m [as it relates to matching funds]

This provision creates a pilot program for the Department of Justice to provide grants to counties to establish a global positioning system (GPS) tracking program for persons who are subject to domestic abuse or harassment temporary restraining orders or injunctions. Counties are required to provide a 50 percent match for any grant funds received under the program, and two or more counties may jointly establish and administer a program, and apply for and receive a grant under the GPS tracking pilot grant program.

I am partially vetoing this provision because I object to the 50 percent match requirement in order for a county or counties to receive grant funds. This creates an additional financial burden on smaller counties and is counterproductive for the purposes of a pilot program.

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Cited segments of 2013 Assembly Bill 40:

SECTION 1942m. 165.94 of the statutes is created to read:

165.94 Global positioning system pilot programs; grants.

Vetoed In Part

(2) A grant recipient under this section shall provide matching funds equal to 50 percent of the grant amount awarded.

H. REFORMING HEALTH CARE ENTITLEMENTS

H–43. Voluntary Reduction in FoodShare Benefits

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Governor's written objections

Section 1211v

This section requires the Department of Health Services to allow recipients to elect to receive FoodShare benefits in an amount that is less than the amount for which the individual or the individual's household is eligible.

Although I support the intent of the provision to allow recipients to elect to receive a lower benefit amount, thereby reducing program costs, I am vetoing this section because it is prohibitively difficult to implement and administer, likely resulting in higher administrative expenditures than the amount saved from the reduction in benefit payments. Further, the additional administrative cost is unnecessary since FoodShare recipients may currently elect to spend less than the amount of benefits issued in each month, with unexpended benefits expiring after 12 months.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 1211v. 49.79 (7m) of the statutes is created to read:

49.79 **(7m)** VOLUNTARY REDUCTION IN BENEFITS. To the extent permitted under federal law, when the department determines that an individual or an individual's household is eligible for the food stamp program, or when the department modifies the amount of food stamp benefits for which an individual or an individual's household is eligible, the department shall allow the individual to elect to receive food stamp benefits in an amount that is less than the amount for which the individual or the individual's household is eligible.

Vetoed In Part

H–44. Allocations to Income Maintenance Consortia

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Governor's written objections

Section 1211b

This section requires the Department of Health Services to reimburse a multicounty consortium for income maintenance services provided under contract using a method determined by the department that includes the number of cases for which the consortium is responsible and the complexity of those cases.

I am partially vetoing this section because the criteria for allocation of the funding are overly vague and not defined in statute. Further, I object to the inflexibility of the language as it prevents the department and multicounty consortia from modifying the allocation criteria in the future to meet changing program needs. The partial veto will allow the department to work cooperatively with the multicounty income maintenance consortia to determine a funding allocation methodology that best reflects income maintenance workloads.

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Cited segments of 2013 Assembly Bill 40:

SECTION 1211b. 49.78 (2) (b) 3. of the statutes is amended to read:

49.78 **(2)** (b) 3. That the department will reimburse a multicounty consortium for services provided under the contract ~~on a risk−adjusted case load basis~~ using a method determined by the department that includes the number of cases for which the consortium is responsible and the complexity of those cases . **Vetoed In Part**

H−45. FoodShare Employment and Training Reporting Requirement

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Governor's written objections

Section 1215m

This section requires the Department of Health Services to report annually, beginning January 1, 2015, to the Joint Committee on Finance and Legislature on FoodShare employment and training outcomes, including the number of able−bodied adults subject to the benefit time limit, the number of able−bodied adults subject to the benefit time limit who disenrolled from the program, and the impact of the work requirement enforcement on the payment error rate and income maintenance workloads.

Although I agree with the intent of the section to regularly report on the results of the employment and training program, I am vetoing this section because the program will not be fully implemented before the initial reporting date and a partial analysis would be premature. I am instructing the department to provide the requested information as soon as practicable following a reasonable period of statewide implementation.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 1215m. 49.79 (9) (d) of the statutes is created to read:

49.79 **(9)** (d) On each January 1, beginning on January 1, 2015, the department shall provide a report to the appropriate standing committees of the legislature under s. 13.172 (3) and to the joint committee on finance that includes the following information:

1. The results of the department's ongoing evaluation of the program under this subsection to analyze the employment outcomes for participants in the program, as available.

2. An estimate of the number of able−bodied adults subject to the time limit specified in sub. (10) (a) 2. who participated in the program under this subsection in the previous 12 months.

3. The number of able−bodied adults subject to the time limit specified in sub. (10) (a) 2. who disenrolled from the food stamp program in the previous 12 months.

4. A discussion of the impacts of the work requirement policy under sub. (10) on the payment error rate under the food stamp program and on the workloads of multicounty income maintenance consortia and the Milwaukee Enrollment Services Center. **Vetoed In Part**

H−46. Certified Medical Coder Position

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Governor's written objections

Section 1043p

This section requires the Department of Health Services to employ at least one full−time certified medical coder to improve Medicaid payment accuracy.

I am vetoing this section because I object to limiting the flexibility of the department to hire or contract for services in the most financially sound manner and to determine the best use of state resources, including state personnel, in ensuring the integrity of the Medicaid program.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 1043p. 49.45 (2) (a) 2m. of the statutes is created to read:

49.45 **(2)** (a) 2m. Beginning on January 1, 2014, employ at least one full−time equivalent, certified medical coder to improve payment accuracy for all services provided under the Medical Assistance program.

Vetoed In Part

H−47. Self−Directed Services Waiver for Post−Secondary Education

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Governor's written objections

Section 834h

This section requires the Department of Health Services to request a federal home and community−based services waiver to provide Medicaid coverage for services provided to individuals with developmental disabilities receiving post−secondary education on the grounds of a health care institution. If the waiver is approved, the department shall limit the coverage to 100 individuals per month and shall determine the funding for each participant based on the benefit levels for the Include, Respect, I Self−direct (IRIS) waiver program.

I am partially vetoing this section because certain provisions of the language are too narrow and may conflict with federal definitions and waiver requirements. The partial veto is intended to improve the chances of receiving federal approval for the new waiver by removing the requirements that the institution be defined as a health care institution and that funding for each participant in the new waiver be based on the IRIS waiver program.

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Cited segments of 2013 Assembly Bill 40:

SECTION 834h. 46.2899 of the statutes is created to read:

46.2899 Services for the developmentally disabled who receive post−secondary education.

(2) WAIVER PROGRAM. The department shall request a waiver from the federal centers for medicare and medicaid services in order to receive the federal medical assistance percentage for home−based and community−based services provided to individuals who are developmentally disabled and who received post−secondary education on the grounds of health care institutions. If the waiver is approved the department shall operate a waiver program to provide those services to no more than 100 individuals per month per year.

Vetoed In Part

(3) ELIGIBILITY. The department shall consider as eligible for the waiver program described under sub. (2) only individuals who are receiving post−secondary education in a setting that is distinguishable from the health care institution. The department shall set the financial eligibility requirements and functional eligibility requirements for the waiver program described under sub. (2) the same as the financial eligibility requirements and functional eligibility requirements for the self−directed services option except for the requirement to be an individual who is developmentally disabled and who is receiving post−secondary education on the grounds of a health care institution.

Vetoed In Part

Vetoed In Part

(4) SERVICES AND BENEFITS. The department shall provide the same services under the waiver program described in sub. (2) as it provides under the self−directed services option. The department shall determine the funding amount for a waiver program participant under this section based on what the individual would receive if enrolled in the self−directed services option .

Vetoed In Part

I. PROTECTING OUR CITIZENS

I−48. Crime Prevention Funding Boards and Crime Prevention Funding Board Surcharge

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Governor's written objections

Sections 514s, 1238m, 1239m, 1243m, 2291m, 2293m, 2352m, 2358m and 9129

This provision creates a $20 crime prevention funding board surcharge which would be applied to any misdemeanor or felony conviction. The surcharge is to be assessed only after an offender pays the global positioning system (GPS) tracking surcharge in full. The crime prevention funding board surcharge revenue must be retained by the county treasurer in a crime prevention fund and be distributed as grants at the direction of a crime prevention funding board, which is created in every county, which consists of the following individuals, or their designees: the district attorney; the sheriff; either the county executive, administrator or county board chairperson; the chief elected official of the city, village or town with the largest population in the county; a person chosen by majority vote of the sheriff and police chiefs in the county; and the presiding judge of the circuit court. The board may solicit applications and award grants to certain specified entities. At least half of the funds must go to one or more private, nonprofit organizations that has as its primary purpose preventing crime, providing a funding source for crime prevention programs, encouraging the public to report crime or assisting law enforcement agencies in the apprehension of criminal offenders. The board may direct that the rest of the funds be distributed to a law enforcement agency that has a crime prevention fund. The board and grant recipients must submit reports regarding the use of the funds to the clerk of court for the county, the county board and the legislative bodies of each municipality located in the county.

I am vetoing these sections because I object to the creation of an additional surcharge and an additional board, which may have no demonstrated effectiveness. There are already numerous surcharges on felony and misdemeanor convictions, and adding an additional surcharge will detract surcharge revenue from many other proven and worthwhile crime victim services and law enforcement programs.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 514s. 23.85 of the statutes is amended to read:

23.85 Statement to county board; payment to state. Every county treasurer shall, on the first day of the annual meeting of the county board of supervisors, submit to it a verified statement of all forfeitures, costs, fees, and surcharges imposed under ch. 814 and received during the previous year. The county clerk shall deduct all expenses incurred by the county in recovering those forfeitures, costs, fees, and surcharges from the aggregate amount so received, and shall immediately certify the amount of clear proceeds of those forfeitures, costs, fees, and surcharges to the county treasurer, who shall pay the proceeds to the state as provided in s. 59.25 (3). Jail surcharges imposed under ch. 814 shall be treated separately as provided in s. 302.46 and moneys collected from the crime prevention funding board surcharge under s. 973.0455 (2) shall be treated separately as provided in s. 973.0455 (2).

Vetoed In Part

SECTION 1238m. 59.25 (3) (gm) of the statutes is created to read:

59.25 **(3)** (gm) Deposit all moneys received under s. 973.0455 (2) into a crime prevention fund and, on order of the crime board under s. 59.54 (28) (d), make grant payments as the crime board directs.

Vetoed In Part

SECTION 1239m. 59.40 (2) (n) of the statutes is amended to read:

59.40 **(2)** (n) Pay monthly to the treasurer the amounts required by s. 302.46 (1) for the jail assessment surcharge and the amounts required by s. 973.0455 (2). The payments shall be made by the 15th day of the month following receipt thereof.

Vetoed In Part

SECTION 1243m. 59.54 (28) of the statutes is created to read:

59.54 **(28)** CRIME PREVENTION FUNDING BOARD. (a) In this subsection:

1. "Chief elected official" means the mayor of a city or, if the city is organized under subch. I of ch. 64, the president of the council of that city, the village president of a village, or the town board chairperson of a town.

2. "Crime board" means the crime prevention funding board that is created under this subsection.

Vetoed In Part

3. "Municipality" means a city, village, or town.

(b) There is created in each county, in which the treasurer receives moneys and deposits them as described in s. 59.25 (3) (gm), a crime board. The funds in such an account may be distributed upon the direction of the crime board under par. (d). The crime board shall meet, and its members may receive no compensation, other than reimbursement for actual and reasonable expenses incurred in the performance of their duties. Members shall serve for the terms that are determined by the crime board.

(c) A county crime board shall consist of the following members:

1. The district attorney, or his or her designee.

2. The sheriff, or his or her designee.

3. One of the following county officials, or his or her designee:

a. The county executive.

b. If the county does not have a county executive, the county administrator.

c. The chairperson of the county board of supervisors, or his or her designee, if the county does not have a county executive or a county administrator.

4. The chief elected official of the largest municipality in the county, as determined by population, or his or her designee.

5. A person chosen by a majority vote of the sheriff and all of the chiefs of police departments that are located wholly or partly within the county.

6. The presiding judge of the circuit court, or his or her designee.

(d) 1. The crime board may solicit applications for grants in a format determined by the crime board, and may vote to direct the treasurer to distribute grants to applicants from moneys in the crime prevention fund under s. 59.25 (3) (gm). The crime board may direct the treasurer to distribute grants to any of the following entities, in amounts determined by the crime board:

a. One or more private nonprofit organizations within the county that has as its primary purpose preventing crime, providing a funding source for crime prevention programs, encouraging the public to report crime, or assisting law enforcement agencies in the apprehension of criminal offenders.

b. A law enforcement agency within the county that has a crime prevention fund, if the contribution is credited to the crime prevention fund and is used for crime prevention purposes.

2. Not less than 50 percent of the payments made under subd. 1. shall be made to one or more organizations described in subd. 1. a.

(e) Annually, the crime board shall submit a report on its activities to the clerk of court for the county that distributed the funds, to the county board, and to the legislative bodies of each municipality that is located wholly or partly within the county. The report shall contain at least all of the following information for the year to which the report relates:

1. The name and address of each entity that received a grant, including contact information for the leadership of the entity.

2. A full accounting of all funds disbursed by the treasurer at the direction of the crime board, including the amount of the funds disbursed, the dates of disbursal, and the purposes for which the grant was made.

(f) Annually, each recipient of a grant awarded under this subsection shall submit a report on its activities to all of the entities specified in par. (e). The report shall contain at least all of the following information for the year to which the report relates:

1. The name and address of the entity.

2. The name and address, and title, of each member of the governing body of the entity.

3. The purposes for which the grant money was spent.

4. A detailed accounting of all receipts and expenditures of the entity that relate to the grant money.

5. The balance of any funds remaining.

Vetoed In Part

SECTION 2291m. 814.75 (8r) of the statutes is created to read:

814.75 **(8r)** The crime prevention funding board surcharge under s. 973.0455.

Vetoed In Part

SECTION 2293m. 814.76 (5m) of the statutes is created to read:

814.76 **(5m)** The crime prevention funding board surcharge under s. 973.0455.

Vetoed In Part

SECTION 2352m. 973.0455 of the statutes is created to read:

973.0455 Crime prevention funding board surcharge. (1) If a court imposes a sentence or places a person on probation, the court shall impose a crime prevention funding board surcharge. The surcharge is the total amount calculated by adding up, for each misdemeanor or felony count on which a conviction occurred, $20.

(2) After the clerk determines the amount due, the clerk of court shall collect and transmit the amount to the county treasurer under s. 59.40 (2) (n). The county treasurer shall then distribute the moneys under s. 59.25 (3) (gm).

Vetoed In Part

SECTION 2358m. 973.05 (2m) (jr) of the statutes is created to read:

973.05 **(2m)** (jr) To payment of the crime prevention funding board surcharge until paid in full.

Vetoed In Part

SECTION 9129. Nonstatutory provisions; Local Government.

(1e) CRIME PREVENTION FUNDING BOARD. Upon the creation of a crime prevention funding board, the initial members of the board specified under section 59.54 (28) (c) of the statutes, as created by this act, shall declare that they are serving on the board, or appoint their designees,

Vetoed In Part not later than the first day of the 4th month beginning after a board is created.

I−49. Regulation of Bail Bond Agents, Bail Bond Agencies and Bail Bond Recovery Agents

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Governor's written objections

Sections 200 [as it relates to s. 20.165 (1) (gk)], 204s [as it relates to s. 440.282], 204w, 2179t, 2179w, 2183e, 2183m, 2183s, 2187c, 2187g, 2187h, 2187i, 2187j, 2187k, 2187L, 2187m, 2187n, 2187o, 2265ce, 2285m, 2342c, 2342g, 2342n, 2342r, 2342w, 9138 (1i) and 9438 (1i)

These provisions require the Department of Safety and Professional Services to regulate and license bail bond agents, bail bond agencies and bail bond recovery agents; and to collect annual licensing fees of $1,000 per agent or agency, under requirements promulgated by administrative rule. Bail bond agents, bail bond agencies and bail bond recovery agents are compensated 10 percent of the bond set, but may only be compensated for an action brought in Dane, Kenosha, Milwaukee, Racine or Waukesha counties for the first five years.

I am partially vetoing sections 200 and 204s, and I am vetoing sections 204w, 2179t, 2179w, 2183e, 2183m, 2183s, 2187c, 2187g, 2187h, 2187i, 2187j, 2187k, 2187L, 2187m, 2187n, 2187o, 2265ce, 2285m, 2342c, 2342g, 2342n, 2342r, 2342w, 9138 (1i) and 9438 (1i) because I object to the potential negative impact on the payment of restitution to victims and fines. Just as the creation of an additional surcharge will detract from existing crime victim services and law enforcement programs, the allocation of 10 percent of the bond to these entities will reduce funds for these important programs. This policy is best addressed through separate legislation to provide opportunity for additional study of the current system of pretrial release and to allow for public input.

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Cited segments of 2013 Assembly Bill 40:

SECTION 200. 20.005 (3) of the statutes is repealed and recreated to read:

20.165 Safety and Professional Services, Department of

(1) PROFESSIONAL REGULATION AND ADMINISTRATIVE SERVICES

(gk) Bail bond agents	PR	A	−0−	−0−	**Vetoed In Part**

SECTION 204s. 20.165 (1) (g) of the statutes is amended to read:

20.165 **(1)** (g) *General program operations.* The amounts in the schedule for the licensing, rule making, and regulatory functions of the department, other than the licensing, rule−making, and credentialing functions of the medical examining board and the affiliated credentialing boards attached to the medical examining board and except for preparing, administering, and grading examinations. Ninety percent of all moneys received under chs. 440 to 480, except ch. 448~~,~~ and ss. 440.03 (13), 440.05 (1) (b), and ~~446.02 (3) (a)~~ 440.282 (1) (d), (2) (c), and (4) (b) , less $10 of each renewal fee received under s. 452.12 (5)~~, and~~; all moneys transferred from the appropriation under par. (i); and all moneys received under s. 440.055 (2), shall be credited to this appropriation.

Vetoed In Part

SECTION 204w. 20.165 (1) (gk) of the statutes is created to read:

20.165 **(1)** (gk) *Bail bond agents.* The amounts in the schedule for the administration of bail bond agent licenses, bail bond agency licenses, and bail recovery agent certifications under ss. 440.28 to 440.288. All moneys received from fees collected under s. 440.282 (1) (d), (2) (c), and (4) (b) shall be credited to this appropriation account.

Vetoed In Part

SECTION 2179t. 440.03 (13) (b) 12g. of the statutes is created to read:

440.03 **(13)** (b) 12g. Bail bond agent.

SECTION 2179w. 440.03 (13) (b) 12r. of the statutes is created to read:

440.03 **(13)** (b) 12r. Bail recovery agent.

SECTION 2183e. 440.08 (2) (a) 15e. of the statutes is created to read:

Vetoed In Part

Vetoed In Part

440.08 **(2)** (a) 15e. Bail bond agency: December 1 of each odd–numbered year.

SECTION 2183m. 440.08 (2) (a) 15g. of the statutes is created to read:

440.08 **(2)** (a) 15g. Bail bond agent: December 1 of each even–numbered year.

SECTION 2183s. 440.08 (2) (a) 15j. of the statutes is created to read:

440.08 **(2)** (a) 15j. Bail recovery agent: September 1 of each even–numbered year.

Vetoed In Part

SECTION 2187c. Subchapter II (title) of chapter 440 [precedes 440.26] of the statutes is amended to read:

CHAPTER 440

SUBCHAPTER II

PRIVATE DETECTIVES, PRIVATE SECURITY PERSONS, BAIL BOND AGENTS, AND BAIL RECOVERY AGENTS

SECTION 2187g. 440.28 of the statutes is created to read:

440.28 Definitions. In this section and ss. 440.281 to 440.288:

(1) "Bail bond" means a bond executed under ch. 969.

(2) "Bail bond agency" means a business that is compensated to act as a surety for a bail bond under ch. 969.

(3) "Bail bond agent" means an individual who is compensated to act as a surety for a bail bond under ch. 969.

(4) "Bail recovery agent" means an individual who is compensated to locate, apprehend, transport, or surrender a principal.

(5) "Business" means a sole proprietorship, partnership, limited liability company, joint venture, or corporation.

(6) "Business representative" means an owner, officer, director, manager, member, partner, or other agent of a business.

(7) "Certified bail recovery agent" means an individual who is certified under s. 440.282 (3).

(8) "Law enforcement officer" has the meaning given in s.165.85 (2) (c).

(9) "Licensed agency" means a business that is licensed under s. 440.282 (2).

(10) "Licensed agent" means an individual who is licensed under s. 440.282 (1).

(11) "Principal" means a defendant who is released on a bail bond under ch. 969.

SECTION 2187h. 440.281 of the statutes is created to read:

440.281 License or certification required. (1) BAIL BOND AGENTS AND AGENCIES. (a) No individual may act as a bail bond agent in this state unless the individual is a licensed agent and the bail bond is underwritten by a surety company authorized to do business in this state.

(b) No business may act as a bail bond agency in this state unless the business is a licensed agency and the bail bond is underwritten by a surety company authorized to do business in this state. **Vetoed In Part**

(c) A licensed agent or licensed agency may be compensated to act as a surety for a bail bond under ch. 969 only in an action brought in Dane, Kenosha, Milwaukee, Racine, or Waukesha county. This paragraph does not apply after the last day of the 60th month beginning after the effective date of this paragraph .... [LRB inserts date].

(2) BAIL RECOVERY AGENTS. Except as provided in s. 440.288 (1) (c), no individual may act as a bail recovery agent in this state unless the individual is a certified bail recovery agent.

SECTION 2187i. 440.282 of the statutes is created to read:

440.282 Licensure of bail bond agents and agencies; bail recovery agent certification. (1) BAIL BOND AGENTS. The department shall grant a license to act as a bail bond agent to an individual if the department determines that all of the following requirements are met:

(a) The individual submits an application for the license to the department on a form prescribed by the department. The application shall include the individual's name and address, a recent photograph of the individual, and any other information required by the department by rule.

(b) The individual satisfies the education, training, and examination requirements established by the department by rule.

(c) Subject to ss. 111.321, 111.322, and 111.335, the individual does not have an arrest or conviction record.

(d) The individual pays an initial licensure fee of $1,000.

(e) The individual satisfies any other requirements established by the department by rule.

(2) BAIL BOND AGENCIES. The department shall grant a license to act as a bail bond agency to a business if the department determines that all of the following requirements are met:

(a) The business submits an application to the department on a form prescribed by the department. The application shall include the business's name and address, the name and addresses of the business representatives of the business and any bail bond agents who are employed by the business, and any other information required by the department by rule.

(b) The business has at least one business representative who is a licensed agent.

(c) The business pays the initial credential fee of $1,000.

(d) The business satisfies any other requirements established by the department by rule.

Vetoed In Part

(3) BAIL RECOVERY AGENTS. The department shall grant a certification to act as a bail recovery agent to an individual if the department determines that all of the following requirements are met:

(a) The individual submits an application for certification to the department on a form prescribed by the department. The application shall include the individual's name and address, a recent photograph of the individual, and any other information required by the department by rule.

(b) The individual is a private detective who is licensed under s. 440.26 (2) (a) 2.

(c) The individual satisfies the education, training, and examination requirements established by the department by rule.

(d) Subject to ss. 111.321, 111.322, and 111.335, the individual does not have an arrest or conviction record.

(e) The individual satisfies any other requirements established by the department by rule.

(4) RENEWAL. (a) The renewal dates for licenses granted under subs. (1) and (2) and certifications granted under sub. (3) are specified in s. 440.08 (2) (a) 15e., 15g., and 15j. A renewal application shall be submitted to the department on a form prescribed by the department and shall include any information required by the department by rule.

(b) The renewal application for a licensed agent or a licensed agency shall include a renewal fee of $1,000.

SECTION 2187j. 440.283 of the statutes is created to read:

440.283 Information concerning licensed agents, licensed agencies, and certified bail recovery agents. (1) REGISTER. The department shall compile and keep current a register of the names and addresses of all licensed agents, licensed agencies, and certified bail recovery agents. The department shall make that register available for public inspection during the times specified in s. 230.35 (4) (a). The department may also make the register available to the public on an Internet site maintained by the department.

(2) REGISTER PROVIDED TO COURT CLERKS. Annually, the department shall provide a complete copy of the register kept under sub. (1) to the clerk of circuit court in each county.

(3) NOTICE OF DISCIPLINARY ACTION. The department shall promptly notify the clerk of circuit court in each county concerning any action taken by the department under. s. 440.287 (2) against a licensed agent, licensed agency, or certified bail recovery agent.

SECTION 2187k. 440.284 of the statutes is created to read:

440.284 Bond or liability policy required. (1) LICENSED AGENCIES. Each licensed agency shall file with the department a bond or liability policy, approved by the department, in an amount determined by the department by rule that covers all licensed agents of the agency.

(2) LICENSED AGENTS. Each licensed agent who is not included under a bond or liability policy under sub. (1) shall file with the department a bond or liability policy, approved by the department, in an amount determined by the department by rule.

Vetoed In Part

SECTION 2187L. 440.285 of the statutes is created to read:

440.285 Restriction on business referrals. (1) No licensed agent, licensed agency, or certified bail recovery agent, and no agent or employee of a licensed agent, licensed agency, or certified bail recovery agent, may, in the course of its business, suggest in any manner that a principal or prospective principal contact or engage the services of any attorney or law firm.

(2) No law enforcement officer or other employee of the state or of a city, village, town, or county may suggest in any manner that a defendant contact or engage the services of any bail bond agent or bail bond agency.

SECTION 2187m. 440.286 of the statutes is created to read:

440.286 Advisory committee. (1) The department shall establish and, except as provided under sub. (2) (a) 5., appoint an advisory committee under s. 440.042 to advise the department on matters relating to the regulation of bail bond agents, bail bond agencies, and bail recovery agents.

(2) (a) The committee shall consist of the following 7 members:

1. One private criminal defense attorney licensed to practice law in this state.

2. One current or former law enforcement officer.

3. One current or former judge for the circuit court of any county in this state.

4. One member of the public who is a resident of this state and who is not a current or former law enforcement officer.

5. One member of the state legislature, who, notwithstanding s. 440.042 (1), shall be nominated by the governor and appointed with the advice and consent of the senate.

6. Two representatives of the bail bond industry in this state.

(b) The members of the committee shall be appointed for 3−year terms. No member may serve more than 2 consecutive terms.

SECTION 2187n. 440.287 of the statutes is created to read:

440.287 Disciplinary proceedings and actions. (1) INVESTIGATIONS AND HEARINGS. Subject to the rules promulgated under s. 440.03 (1), the department may conduct investigations and hearings to determine whether a violation of ss. 440.281 to 440.285 or any rule promulgated under s. 440.288 or a violation of any other law of this state, law of another state, or federal law that substantially relates to the activity of a bail bond agent, bail bond agency, or bail recovery agent has occurred.

Vetoed In Part

(2) PENALTIES. (a) Subject to the rules promulgated under s. 440.03 (1), the department may reprimand a licensed agent, licensed agency, or certified bail recovery agent or deny, limit, suspend, or revoke a license or certification granted under s. 440.282 if the department finds that an applicant for licensure or certification, a licensed agent, licensed agency, or certified bail recovery agent has done any of the following:

1. Intentionally made a material misstatement in an application for a license or license renewal or a certification or certification renewal.

2. Advertised in a manner that is false or misleading.

3. Obtained or attempted to obtain compensation through fraud or deceit.

4. Violated ss. 440.281 to 440.285 or any rule promulgated under s. 440.288 or violated any other law of this state, law of another state, or federal law that substantially relates to the activity of a bail bond agent, bail bond agency, or bail recovery agent.

5. Engaged in unprofessional conduct.

(b) In addition to or in lieu of a reprimand or other action under par. (a), the department may establish by rule other penalties, including a forfeiture not to exceed $5,000 for each violation, for a violation under par. (a).

SECTION 2187o. 440.288 of the statutes is created to read:

440.288 Rules. (1) The department shall promulgate rules necessary to administer ss. 440.28 to 440.287, including rules that do all of the following:

(a) Establish photograph identification requirements for licensed agents and certified bail recovery agents.

(b) Establish rules of conduct for licensed agents, licensed agencies, and certified bail recovery agents, including rules that do all of the following:

1. Prohibit the use or display of badges, shields, or any other similar images or items normally associated with law enforcement officers.

2. Require contact with appropriate local law enforcement officers or other officials before an attempt is made to apprehend a principal.

3. Establish other requirements concerning the location, apprehension, transportation, and surrender of principals.

(c) Establish procedures for the temporary certification in this state of bail recovery agents from other states. The department may enter into reciprocal agreements with other states concerning the activities of bail bond agents, bail bond agencies, and bail recovery agents in the respective states.

(d) Establish education, training, examination, and other requirements for the initial licensure of bail bond agents and the initial certification of bail recovery agents and establish continuing education, training, and other requirements for the renewal of those licenses and certifications.

(2) In promulgating rules under this section, the department shall consult federal law and the laws of other states concerning the licensure requirements that exist under those laws for bail bond agents, bail bond agencies, and bail recovery agents. The department shall attempt to make the requirements it establishes in rules promulgated under this section consistent with those laws.

Vetoed In Part

SECTION 2265ce. 628.02 (1) (b) 10. of the statutes is created to read:

628.02 **(1)** (b) 10. A person who is licensed under s. 440.282 (1) or (2) and is acting within the scope of that license.

Vetoed In Part

SECTION 2285m. 814.605 of the statutes is created to read:

814.605 Criminal actions; bail bond fees. Whenever a person who is released under s. 969.02 or 969.03 uses a surety that is a bail bond agent or bail bond agency that is licensed under s. 440.282 (1) or (2), the bail bond agent or bail bond agency that posted the bond shall, at the time the bail bond is posted, pay to the clerk of circuit court a fee equal to 3 percent of the bail bond amount. The clerk of circuit court shall retain the fee paid under this section for the use of the county.

Vetoed In Part

SECTION 2342c. 969.02 (2) of the statutes is amended to read:

969.02 **(2)** In lieu of release pursuant to sub. (1), the judge may require the execution of an appearance bond with sufficient solvent sureties, or the deposit of cash in lieu of sureties. If the judge requires the execution of an appearance bond under this subsection, he or she shall determine whether the bond may be posted by a bail bond agent or bail bond agency that is licensed under s. 440.282 (1) or (2). If the judge requires a deposit of cash in lieu of sureties, the person making the cash deposit shall be given written notice of the requirements of sub. (6).

SECTION 2342g. 969.03 (1) (d) of the statutes is amended to read:

969.03 **(1)** (d) Require the execution of an appearance bond with sufficient solvent sureties, or the deposit of cash in lieu of sureties. If the judge requires the execution of an appearance bond under this paragraph, he or she shall determine whether the bond may be posted by a bail bond agent or bail bond agency that is licensed under s. 440.282 (1) or (2). If the judge requires a deposit of cash in lieu of sureties, the person making the cash deposit shall be given written notice of the requirements of sub. (4).

SECTION 2342n. 969.12 (1) of the statutes is repealed.

SECTION 2342r. 969.12 (2) of the statutes is amended to read:

969.12 **(2)** A surety under this chapter shall be a natural person~~, except~~ who is a resident of this state or a

Vetoed In Part

surety under s. 345.61 or, subject to s. 969.02 (2) or 969.03 (1) (d), a bail bond agent or bail bond agency that is licensed under s. 440.282 (1) or (2). No surety ~~under this chapter~~ may be compensated for acting as ~~such~~ a surety, except that a bail bond agent or bail bond agency that is licensed under s. 440.282 (1) or (2) shall be compensated at a rate of 10 percent of the amount of the bond set.

SECTION 2342w. 969.15 of the statutes is created to read:

969.15 Pretrial release; reports. (1) The director of state courts shall create and make available to the clerks of court in Dane, Kenosha, Milwaukee, Racine, and Waukesha counties forms for reporting under this section and shall prescribe a schedule for the clerks of court to return the completed forms. The director of state courts shall require, at a minimum, annual reports from the clerks of the counties.

(2) The clerks of court in Dane, Kenosha, Milwaukee, Racine, and Waukesha counties shall, using the forms provided by the director of state courts and according to the schedule prescribed by the director of state courts, provide the following information to the director of state courts:

(a) The number of persons charged in the county released pursuant to s. 969.02 (1).

(b) The number of persons charged in the county released pursuant to s. 969.02 (2) and the amount of the appearance bond required. For each person released pursuant to s. 969.02 (2) who used a surety, whether the surety is a natural person, a surety under s. 345.61, or a bail bond agent or bail bond agency that is licensed under s. 440.282 (1) or (2).

(c) The number of persons charged in the county released pursuant to s. 969.03 (1) without bail or upon the execution of an unsecured appearance bond.

(d) The number of persons charged in the county released pursuant to s. 969.03 (1) upon the execution of an appearance bond under s. 969.03 (1) (d), and the amount of the appearance bond required. For each person released pursuant to s. 969.03 (1) upon the execution of an appearance bond under s. 969.03 (1) (d) who used a surety, whether the surety is a natural person, a surety under s. 345.61, or a bail bond agent or bail bond agency that is licensed under s. 440.282 (1) or (2).

(e) The number of court orders entered under s. 969.13 (1) because a person failed to make a required court appearance and, for each order counted under this paragraph, whether the person who forfeited bail had used a surety who is a natural person, a surety under s. 345.61, or a bail bond agent or bail agency that is licensed under s. 440.282 (1) or (2). **Vetoed In Part**

(f) The amounts of bail forfeited and subsequently collected and a description of how the collected amounts were allocated by the clerk of courts and the county treasurer.

(g) The amounts of bail forfeited and not collected.

(h) The disposition of the case against every person subject to an order counted under par. (e), including a statement as to whether, when, and by whom the person was located after he or she failed to make a required court appearance.

(i) A statement as to the time and cost expended by the county to locate a person subject to an order counted under par. (e).

(3) The director of state courts shall, no later than 4 years and 4 months after the effective date of this subsection .... [LRB inserts date], submit to the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2), a report summarizing the reports prepared by the clerks of court pursuant to sub. (2).

SECTION 9138. Nonstatutory provisions; Safety and Professional Services.

(1i) EMERGENCY RULES FOR REGULATION OF COMMERCIAL BAIL BONDS. Using the procedure under section 227.24 of the statutes, the department of safety and professional services may promulgate the rules required or otherwise authorized under sections 440.28 to 440.288 of the statutes, as created by this act, for the period before the permanent rules become effective, but not to exceed the period authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes, the department is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for the rules promulgated under this subsection. **Vetoed In Part**

SECTION 9438. Effective dates; Safety and Professional Services.

(1i) REGULATION OF COMMERCIAL BAIL BONDS. The treatment of sections 20.165 (1) (gk), 440.03 (13) (b) 12g. and 12r., 440.08 (2) (a) 15e., 15g., and 15j., 440.28, 440.281, 440.282, 440.283, 440.284, 440.285, 440.286, 440.287, 440.288, 628.02 (1) (b) 10., 814.605, 969.02 (2), 969.03 (1) (d), 969.12 (1) and (2), and 969.15 and subchapter II (title) of chapter 440 of the statutes takes **Vetoed In Part**

Vetoed In Part effect on the first day of the 7th month beginning after publication.

I–50. Prerelease Pilot Program for Prisoners

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Governor's written objections

Sections 200 [as it relates to ss. 20.410 (1) (ki) and 20.455 (2) (du)], 340d, 340r, 381d, 381g, 9108 and 9408

This provision creates a GPR annual appropriation for the Department of Justice for funding a one–time grant to the Department of Corrections for a prerelease pilot program to end on July 1, 2015, with funding of $172,800 in fiscal year 2013–14, and $192,000 in fiscal year 2014–15, and requires the Department of Corrections to enter into a contract for the services of Freedom Life Skills, Inc., to teach life skills and character development to inmates who will be released to parole or to extended supervision.

I am vetoing this provision because I object to the creation of a redundant program. The Department of Corrections already has a prerelease program for prisoners. Furthermore, I am concerned about the lack of transparency in the awarding of the contract, since the funding would be provided to a specific organization without a competitive bidding process.

.....

Cited segments of 2013 Assembly Bill 40:

SECTION 200. 20.005 (3) of the statutes is repealed and recreated to read:

20.410 Corrections, Department of

(1) ADULT CORRECTIONAL SERVICES

(ki)	Prerelease pilot program	PR	C	172,800	192,000	**Vetoed In Part**

20.455 Justice, Department of

(2) LAW ENFORCEMENT SERVICES

(du)	Prerelease pilot program	GPR	A	172,800	192,000	**Vetoed In Part**

Vetoed In Part **SECTION 340d.** 20.410 (1) (ki) of the statutes is created to read:

20.410 **(1)** (ki) *Prerelease pilot program.* All moneys transferred from the appropriation account under s. 20.455 (2) (du) for a prerelease pilot program for prisoners.

SECTION 340r. 20.410 (1) (ki) of the statutes, as created by 2013 Wisconsin Act .... (this act), is repealed.

Vetoed In Part **SECTION 381d.** 20.455 (2) (du) of the statutes is created to read:

20.455 **(2)** (du) *Prerelease pilot program.* The amounts in the schedule to transfer to the appropriation account under s. 20.410 (1) (ki) for a prerelease pilot program for prisoners.

SECTION 381g. 20.455 (2) (du) of the statutes, as created by 2013 Wisconsin Act .... (this act), is repealed.

SECTION 9108. Nonstatutory provisions; Corrections. **Vetoed In Part**

(1L) PILOT PROGRAM FOR PRISONERS; PRERELEASE.

(a) In this subsection:

1. "Department" means the department of corrections.

2. "Pilot period" means the period beginning on the date on which the program is established and ending 2 years after that date.

3. "Program" means the program established under paragraph (b).

(b) From the appropriation under section 20.410 (1) (ki) of the statutes, the department shall establish a program in 2 correctional institutions for the pilot period. The program shall:

Vetoed In Part

1. Require the department to enter into a contract for the services of Freedom Life Skills, Inc., a private, nonprofit organization that teaches life skills and character development to inmates who will be released to parole or to extended supervision.

2. Provide a total of 96 inmates with no fewer than 30 prerelease participation sessions and 78 weeks of postrelease accountability and support sessions that are led by a person trained by Freedom Life Skills, Inc., or Life Skills International.

3. Follow a curriculum established by Freedom Life Skills, Inc., or Life Skills International.

(c) At the end of the pilot period, the department shall prepare a report for submission to the joint committee on finance and the appropriate standing committees of the legislature under section 13.172 (3) of the statutes. The report shall include an evaluation of the effectiveness of the program on reducing disciplinary actions against participants and recidivism rates among persons who are released to extended supervision or to parole after participating in the program.

Vetoed In Part

SECTION 9408. Effective dates; Corrections.

Vetoed In Part

(1L) PILOT PROGRAM FOR PRISONERS. The repeal of sections 20.410 (1) (ki) and 20.455 (2) (du) of the statutes takes effect on July 1, 2015.

I−51. Five Star Provider Meeting Requirement

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Governor's written objections

Section 9106 (1q)

This section requires the Department of Children and Families to convene a meeting of all five star YoungStar providers who provide child care to over 50 Shares children by September 30, 2013. The department must hear the concerns of these providers and summarize the concerns and make recommendations to address the concerns in a report to the Joint Committee on Finance.

I am vetoing this section because it is overly prescriptive and unnecessary. The department already has the authority to meet with providers, and is in ongoing communications with providers that have concerns. With this veto, the department will not be required to hold another meeting with these providers by a specific date, and will be free to interact with providers and address any concerns in the manner it determines is most effective.

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Cited segments of 2013 Assembly Bill 40:

SECTION 9106. Nonstatutory provisions; Children and Families.

Vetoed In Part

(1q) CONCERNS OF 5−STAR CHILD CARE PROVIDERS. By September 30, 2013, the department of children and families shall convene a meeting of all child care providers who have received a 5−star rating, as described in the quality rating plan, as defined in section 49.155 (6) (e) 1. of the statutes, and who receive payment under section 49.155 of the statutes for providing care for more than 50 children. At that meeting, the department of children and families shall hear the concerns of those child care providers about the child care quality rating system under section 48.659 of the statutes, the payment rates for child care services provided under section 49.155 of the statutes, and any other issues that are of concern to those child care providers. Following the meeting, the department of children and families shall summarize those concerns and make recommendations to address those concerns and, by January 31, 2014, shall submit a report of those concerns and recommendations to the joint committee on finance. If the joint committee on finance requests or requires the department of children and families to provide a quarterly report on the status of the quality rating plan, that department may include the report under this subsection in the quarterly report for the 4th quarter of 2013.

Vetoed In Part

I–52. Child Support Arrears Pilot Program

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Governor's written objections

Section 2277

This section establishes a pilot project under which noncustodial parents would qualify for a modified interest rate on child support arrears, with the goal of increasing child support payments. In order for the pilot project to continue beyond June 30, 2015, the Department of Children and Families would be required to obtain the approval of the Joint Committee on Finance under a 14–day passive review process. The department would be required to provide specific information on the amount of reduction in arrears owed and increase in number and dollar amount of payments towards arrears.

I am partially vetoing this section to remove the requirement that the department obtain the approval of the Joint Committee on Finance and the end date of the pilot. I believe that neither provision is necessary, because the department is capable of determining whether the pilot is successful, and can determine whether to continue the program without the burden of unnecessary review.

.....

Cited segments of 2013 Assembly Bill 40:

SECTION 2277. 767.511 (6m) of the statutes is created to read:

767.511 **(6m)** PILOT PROGRAM ON INTEREST RATE. The department may conduct a pilot program under which the interest that accrues on the amounts in arrears specified in sub. (6) and in s. 767.531 shall be at the rate of 0.5 percent per month instead of 1 percent per month. If the department conducts a pilot program under this subsection, the program may begin at any time after December 31, 2013, but shall end on June 30, 2015, and the new rate shall apply to interest that accrues during that time. At the end of the pilot program, if any, the interest rate shall revert to 1 percent per month, except that the department may request to extend the lower interest rate by submitting a proposal to the joint committee on finance. Any proposal to extend the lower interest rate submitted by the department shall include information showing the amount of the reduction in arrears owed, and the increase in the number and dollar amount of payments received towards arrears, due to the lower interest rate. If the department submits a proposal to extend the lower interest rate and the cochairpersons of the committee do not notify the department within 14 working days after the date that the department submits the proposal that the committee has scheduled a meeting for the purpose of reviewing the proposal, the proposal may be implemented. If, within 14 working days after the date that the department submits a proposal to extend the lower interest rate, the cochairpersons notify the department that the committee has scheduled a meeting for the purpose of reviewing the proposal, the proposal may be implemented only upon approval of the committee.

Vetoed In Part

Vetoed In Part

Vetoed In Part

J. SUPPORTING OUR VETERANS

J–53. Transfers to the Veterans Trust Fund and Mortgage Loan Repayment Fund

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Governor's written objections

Sections 801f and 9249 (2e)

Section 801f permits the Department of Veterans Affairs to transfer all of the unencumbered balances of the appropriations related to operations of the state veterans homes to the Veterans Trust Fund or Mortgage Loan Repayment Fund on June 30th of each year, if the department requests and receives the approval of the Joint Committee on Finance under a 14–day passive review process.

I am partially vetoing this section to remove the provision limiting transfers to June 30th of each year and the requirements related to Joint Committee on Finance approval because I object to the inflexibility of the language. Setting such rigid requirements for the transfer unduly restricts the department's ability to ensure the solvency of the Veterans Trust Fund and Mortgage Loan Repayment Fund by transferring surplus revenues generated from the efficient operation of the state veterans homes.

In addition, I am vetoing section 9249 (2e), that requires the transfer of $10,000,000 from the program revenue appropriation related to the operations of the state veterans homes to the Veterans Trust Fund in fiscal year 2013−14, because this provision is no longer necessary. The Department of Veterans Affairs will determine the appropriate amount of the transfer necessary to maintain the solvency of the Veterans Trust Fund.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 801f. 45.57 of the statutes is created to read:

45.57 Veterans homes; transfer of funding. (1) On June 30 of each fiscal year, the department may transfer all or part of the unencumbered balance of any of the appropriations under s. 20.485 (1) (g), (gd), (gk), or (i) to the veterans trust fund or to the veterans mortgage loan repayment fund.

Vetoed In Part

(2) The department may not transfer money under this section unless it first notifies the joint committee on finance in writing of the proposal. If the cochairpersons of the committee do not notify the department within 14 working days after the date of the department's notification that the committee has scheduled a meeting to review the proposal, the department may transfer the money. If, within 14 working days after the date of the notification by the department, the cochairpersons of the committee notify the department that the committee has scheduled a meeting to review the proposal, the department may transfer the money only upon approval of the committee. A proposal as submitted by the department is approved unless a majority of the members of the committee who attend the meeting to review the proposal vote to modify or deny the proposal.

Vetoed In Part

SECTION 9249. Fiscal changes; Veterans Affairs.

Vetoed In Part

(2e) TRANSFER TO VETERANS TRUST FUND; VETERANS HOME APPROPRIATION. There is transferred from the appropriation under section 20.485 (1) (gk) of the statutes to the veterans trust fund $10,000,000 in fiscal year 2013−14.

K. PRESERVING WISCONSIN'S HERITAGE

K−54. Bearskin State Trail Development

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Governor's written objections

Section 509zm

This section requires the Department of Natural Resources to provide up to $54,200 in federal funds and up to $145,800 in Stewardship Program funds to surface a 6.9−mile trail corridor that will extend the Bearskin State Trail to the Hiawatha Trail in Lincoln County.

I am vetoing this section because I object to the inclusion of specific spending projects under the Stewardship Program in the bill. Instead, I am directing the department to complete the project in the 2013−15 biennium using existing resources.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 509zm. 23.1981 of the statutes is created to read:

23.1981 Bearskin State Trail. (1) Subject to sub. (2), the department shall provide the amount of funding that is necessary to surface a trail corridor that will extend the Bearskin State Trail so that it connects with the Hiawatha Trail in Lincoln County. The amount of $54,200 shall be paid from the appropriation account under s. 20.370 (7) (fy). Any remaining amount that is necessary shall be obligated from the appropriation account under s. 20.866 (2) (ta). The amount obligated from the appropriation account under s. 20.866 (2) (ta) shall be treated as moneys obligated for property development under s. 23.0917 (4) (c).

(2) The total amount of funding provided under sub. (1) may not exceed $200,000.

Vetoed In Part

K–55. Catch–and–Release Bass Fishing

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Governor's written objections

Section 552m

This section requires the Department of Natural Resources to establish a catch–and release only season for bass fishing for the areas of the state where there is not a continuous open season for bass fishing. The section also specifies that the season begins on the first Saturday in March and ends on the Sunday preceding the first Saturday in May.

I am vetoing this section because I object to the establishment of a catch–and–release bass fishing season without allowing the Wisconsin Conservation Congress to review any considerations for the establishment of such a fishing season. In addition, I am concerned that the provision would set a precedent to permit the establishment of certain fishing seasons without the input of the Conservation Congress. Instead, I am directing the department to work with the Conservation Congress to review opportunities for establishing a catch–and–release bass fishing season and to review the dates for which a catch–and–release season would be appropriate.

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Cited segments of 2013 Assembly Bill 40:

Vetoed In Part

SECTION 552m. 29.053 (2m) of the statutes is created to read:

29.053 **(2m)** The department shall establish a catch–and–release only season for bass fishing for the areas of the state where there is not a continuous open season for bass fishing. The season shall begin on the first Saturday in March and end on the Sunday preceding the first Saturday in May.

Vetoed In Part

K–56. Sporting Heritage Grant

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Governor's written objections

Section 572f

This provision directs the Department of Natural Resources to provide $500,000 during the 2013–15 biennium, which includes $200,000 GPR in fiscal year 2013–14 and $300,000 in federal and other state matching funds in fiscal year 2014–15, for a grant to a nonprofit organization established in Wisconsin for outdoor education, and recruitment and retention of outdoor sports enthusiasts. Beginning with the 2015–17 biennium, the department is required to provide $450,000 to the extent allowed under federal law each biennium. Under the provision, the organization must meet specific criteria for providing firearms safety training and shooting events, and mentoring prospective hunters. The grant must be used to preserve and protect the state's hunting, fishing, trapping and shooting traditions.

To be awarded the grant, the organization must apply through the department. The provision requires the creation of a committee, which consists of the chairs of the Assembly and Senate standing committees responsible for natural

resources, as well as three members appointed by the chair of the Sporting Heritage Council. Grants must be awarded within 60 days of the effective date of the bill and within 30 days following the effective date of the biennial budget bill in subsequent biennia.

I am partially vetoing this provision to remove the reference to the use of federal funds because I am concerned whether the use of the federal funds under 16 USC 669−669i (Wildlife Restoration Act) and 777−777k (Sport Fish Restoration Act), and the associated federal grant is appropriate for this purpose. Instead, I am directing the department to identify $300,000 in other funds in fiscal year 2014−15 and $450,000 in each biennium thereafter that would be suitable for the grant.

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Cited segments of 2013 Assembly Bill 40:

Section 572f. 29.605 of the statutes is created to read:

29.605 Sporting heritage grants. (1)

(b) During fiscal biennium 2013−15, the department shall provide a grant under par. (a) in the amount of $500,000. The department shall provide $200,000 of the grant in fiscal year 2013−14 from the appropriation under s. 20.370 (1) (ma). The department shall provide the remaining $300,000 of the grant in fiscal year 2014−15 to the extent allowed under federal law from funds received from the federal government under 16 USC 669−669i and from moneys available to provide any required state match to the federal funds . **Vetoed In Part**

(c) During fiscal biennium 2015−17, and during each fiscal biennium thereafter, the department shall provide a grant under par. (a) in the amount of $450,000 to the extent allowed under federal law from funds received from the federal government under 16 USC 669−669i and 777−777k . **Vetoed In Part**

Vetoed In Part

K−57. Historical Society Positions

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Governor's written objections

Section 200 [as it relates to appropriations under s. 20.245 (1) (a) and (r)]

This section, as it relates to the appropriations under s. 20.245 (1) (a) and (r), provides $9,842,600 GPR in fiscal year 2013−14 and $9,844,300 GPR in fiscal year 2014−15, and $3,116,600 SEG in both years, respectively. This section of the bill reflects the appropriations from which 7.00 FTE positions were eliminated from the Historical Society.

I am lining out the amounts under s. 20.245 (1) (a) and (r) and writing in smaller amounts that reduce each of the appropriations by $100 in each year of the biennium because I object to the 7.00 FTE position reduction in the Historical Society. This reduction unnecessarily burdens the society with a reduction in staff without a reduction in responsibilities or program. With this veto, I am retaining 6.33 FTE positions in the appropriation under s. 20.245 (1) (a) and 0.67 FTE position in the appropriation under s. 20.245 (1) (r). This action is necessary because no specific language has been included in the bill reflecting the reduction in FTE positions for the Historical Society.

With this veto, I am retaining these 6.33 FTE positions in the appropriation under s. 20.245 (1) (a) and the 0.67 FTE position in the appropriation under s. 20.245 (1) (r) in each year of the biennium to preserve Wisconsin's heritage protected by the Historical Society. I direct the Department of Administration secretary to not allot these funds. I also direct the Department of Administration secretary to not reduce the authorized positions by 7.00 FTE positions in the personnel Management Information System.

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Cited segments of 2013 Assembly Bill 40:

SECTION 200. 20.005 (3) of the statutes is repealed and recreated to read:

20.245 Historical Society

(1) HISTORY SERVICES

(a)	General program operations	GPR	A	9,842,600 9,842,500	9,844,300 9,844,200	**Vetoed In Part**
(r)	History preservation partnership trust fund	SEG	C	3,116,600 3,116,500	3,116,600 3,116,500	**Vetoed In Part**

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